NSTAR ELECTRIC GAS

One NSTAR Way, SUMNE 240, Westwood, MA, 02090-9230

September 14, 2006

Mary L. Cottrell, Secretary
Department of Telecommunications and Energy
One South Station, 2nd Floor
Boston, Massachusetts 02110

Re: D.T.E. 06-GAF-P8, NSTAR Gas Company 2006/2007 Peak Seasonal Cost of Gas Adjustment/Local Distribution Adjustment

Dear Madam Secretary:

NSTAR Gas Company (the "Company") presents for filing its Gas Adjustment Factor ("GAF") and Local Distribution Adjustment Factor ("LDAF") calculations and supporting materials pursuant to: (1) Standard Cost of Gas Adjustment Regulations, 220 C.M.R. 6.00 et seq.; (2) the Company's Seasonal Cost of Gas Adjustment Clause ("CGAC"), Rate Schedule M.D.T.E. No. 401A; and (3) the Company's Local Distribution Adjustment Clause ("LDAC"), Rate Schedule M.D.T.E. No. 402B.[1] A $100 filing fee for the tariff revision is provided herewith. Also included with this filing is the calculation of the Company's Peaking Service Rate, Gas Allowance Factor, Purchases pertaining to its Volatility Mitigation Plan, and "Cash-out" variance for non-daily metered customers.[2]

In order to allow sufficient time to implement the Company's recently approved Fixed Price Option Pilot Program (D.T.E. 06-66) effective November 1st, the Company requests Department approval of the 2006/2007 Peak Seasonal Cost of Gas Adjustment/Local Distribution Adjustment filing by October 15, 2006.

**Cost of Gas Adjustment/Default Service**

The Peak season GAF calculated in Section I will be applicable to all customers taking Default Service for a six-month period commencing with the billing month of November 2006 (the "2006-07 Peak GAF"). The GAF to be applied to customer usage from November 1, 2006 through April 30, 2007 is $1.1949 per therm. Section II includes bill impacts by customer class presented two ways: (1) a monthly bill comparison of the average price in effect during the 2005-2006 Peak season to the proposed 2006-07 Peak

1 The Company is filing herein a revised LDAC tariff (M.D.T.E. No. 402B), which has been revised from the currently effective version to include a service-quality credit mechanism, as directed by the Department in 2004 Annual Service Quality Reports, D.T.E. 05-12 through D.T.E. 05-25, at 2.

2 In addition, the Department directed each gas company in its Gas Unbundling, D.T.E. 04-1 order to submit in each Cost of Gas Adjustment filing its "cash-out" variances relating to the difference between a company's forecast versus billed usage for non-daily metered customers. D.T.E. 04-1, at 46-47. Pursuant to this directive, the Company's variance for the 2005-06 Peak Season was +6.9%.

GAF;[3] and (2) a monthly bill comparison of the currently effective 2006 Off-Peak GAF to the proposed 2006-07 Peak GAF. The proposed 2006-07 Peak GAF represents an approximate 9 percent decrease over the average 2005-06 Peak GAF and 0.8 percent increase from the Company's most recent 2006 Off Peak GAF, which was effective as of May 1, 2006. The change in gas costs reflects circumstances in the gas commodity market, where lower prices have prevailed since early 2006, as compared to higher projected commodity costs at this time last year.

The GAF includes the costs of upstream gas supply, interstate transportation and local production and storage necessary to provide default service. In addition, the GAF calculation includes costs associated with gas supply planning and acquisition, bad-debt expense attributable to gas costs and working capital attributable to gas costs.

The GAF calculation reflects projected peak and off-peak reconciling adjustments of ($13,521,836) and ($6,125,694) over-recovered**,** both applicable to the twelve-month period ending October 31, 2006 (<u>See</u> Schedule H). Additionally, the GAF calculation includes the recovery of gas working capital costs, as well as credits associated with non-firm sales margins and gas supplier refunds.

Section III contains a report of current non-firm transportation activities enclosed pursuant to the Department's directives in its April 8, 1997 Letter Order for Interruptible Transportation Agreements. The Company provides the names of the customers, the associated volumes, the rate applicable to each contract, and the name of the gas supplier. All contracts presented conform to the Company's approved standard form contract as originally submitted in D.P.U. 93-141-A.

Pursuant to G.L. Ch. 25, § 5D, the Company is requesting that portions of the Interruptible Transportation and Quasi-Firm Transportation Reports (collectively, the "Reports") filed herewith be protected from public disclosure due to the competitive and proprietary nature of the pricing contained in the Reports. <u>Standard of Review for Electric Contracts</u>, D.P.U. 96-39, Letter Order (August 30, 1996); <u>Eastern Edison Company</u>, D.P.U. 96-24 (1997); <u>The Berkshire Gas Company et al.</u>, D.P.U. 93-187/188/189/190, at 16 (1994); <u>Boston Gas Company</u>, D.P.U. 92-259 (1993). Accordingly, the Company is submitting redacted copies of the Reports for the public record, and a complete copy for the sealed record. A separate Motion for Protective Treatment relating to Section III is attached.

Section IV contains the Company's calculation of its Peaking Service Rate. This calculation is filed in accordance with the requirements of the Company's Terms and Conditions M.D.T.E. No. 400A, Section 16.3.11, and its Peaking Service Tariff M.D.T.E. No. 404.

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3 During the 2005-06 Peak Season, the Company had in effect three separate GAFs: $1.4570 per therm effective November 1, 2005; $1.3955 per therm effective January 1, 2006; and $0.9000 per therm effective March 1, 2006.

Section V contains the Company's calculation of its Gas Allowance Factor. This calculation is filed in accordance with the requirements of the Company's Terms and Conditions M.D.T.E. No. 400A Section 2.0.

Section VI contains the Company's schedule of information for its purchases as part of its Volatility Mitigation Plan. This schedule is filed in accordance with the requirements of the Department's approval of changes in the Company's gas procurement practices, D.T.E.04-63.

**Bill Message**

The Company proposes the following Bill Message for November 2006 bills:

> Beginning November 1, your cost of gas increased from $1.1855 per therm to $1.1949 per therm. Last year's peak-season price in November 2005 was $1.4570 per therm. If your bill contains any gas usage prior to November 1, your cost of gas will reflect pricing from both periods. The cost of gas is a straight pass through cost in which NSTAR Gas makes no profit.
>
> The rate for the Fixed Price Option Pilot Program for any gas usage after November 1, will be $1.2149 per Therm.

**Local Distribution Adjustment**

The LDAFs calculated in Section VII will be applicable to all customers taking either Default Service or firm transportation service for a twelve-month period commencing with the billing month of November 2006. The LDAF to be applied to customers' bills is $0.0119 per therm for the "Residential" category, $0.0078 per therm for the "Commercial/Industrial" category, and $0.0018 per therm for the "Other" category. The Conservation Charge ("CC") decimals requested for approval for effect November 1, 2006, which are components of the LDAF, are as follows: $0.0101 per therm for the "Residential" category, $0.0060 per therm for the "Commercial/Industrial" category, and $0.0000 per therm for the "Other" category.[4]

The LDAF recovers: (1) the CC decimals; (2) Remediation Adjustment Clause ("RAC") costs;[5] (3) interstate pipeline transition costs resulting from FERC Order 636,; (4) costs incurred by the Company as a result of its participation in the Massachusetts

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[4] "Other" includes the T-1 and G-53 rate classes.

[5] The Company submitted its Remediation Adjustment Clause filing to the Department on August 1, 2006.

Gas Unbundling Collaborative (the "Collaborative"); and (5) the Residential Assistance Adjustment Clause ("RAAC") costs, approved by the Department in D.T.E. 01-106/05-55/05-56 (2005).[6] In addition, the LDAF provides a credit to firm ratepayers for revenues collected from transportation imbalance penalties and for margins attributable to non-firm transportation services.

The worksheets and supporting materials in Section VII describe the costs contained in the LDAF calculations, including CC costs, RAC costs, FERC Order 636 transition costs, the Collaborative costs, and the RAAC costs.

In addition, the Company is filing herein a revised LDAC tariff (M.D.T.E. No. 402B) for effect November 1, 2006. The tariff has been revised from the Company's currently effective tariff to address the Department's directive in 2004 Service Quality Reports, D.T.E. 05-12 through D.T.E. 05-25, wherein the Department requested that all gas local distribution companies revise their LDAC tariffs to allow an adjustment for any service-quality related credits that may be imposed relating to a company's annual service quality performance. See Letter Order in D.T.E. 05-12/05-25., at 2 (2005). However, no adjustment for service-quality related credits is proposed in this filing. The Company has included clean and red-lined versions of the proposed tariff.

The Company will continue to provide the Department with monthly information in the form of its reconciliation account update reports filed pursuant to the Department's regulations. The Company would be pleased to provide additional information upon request. If you have any questions or need additional information, please do not hesitate to call me at (781) 441-8681.

6 The Residential Assistance Adjustment Clause ("RAAC") (see M.D.T.E. No. 407A) provides the Company a mechanism to recover lost revenue, on an annual basis: costs relating to: (1) the incremental increase of Residential Assistance customers enrolled in the Company's discounted rates (Rate R-2 and Rate R-4) as a result of a computer data matching program with the Massachusetts Executive Office of Health and Human Services ("EOHHS"), as described in D.T.E. 01-106, as well as through traditional outreach programs; and (2) incremental expenses, net of benefits, directly related to the Arrearage Forgiveness Program ("AFP"), as approved in D.T.E 05-85. The RAAC is subject to annual reconciliation/true-up based on actual sales and revenue is presented in Section VII, Schedule E. The Company's proposed RAAF for the period commencing November 1, 2006 is presented in Section VII, Schedule F. The RAAF to be applied to customers' usage for the period November 1, 2006 through October 31, 2007 is $0.0002 per therm.

Very truly yours,

Bryant K. Robinson (DBR)

Bryant K. Robinson
Revenue Requirements

Attachments

cc: George Yiankos, Director, Gas Division (Protected and Redacted -- 3 copies)
Carol Pieper, Hearing Officer (Protected and Redacted – 2 copies)
Kevin Brannelly, Director – Rates & Revenue Requirements Division (Protected copy)
Joseph Rogers, Assistant Attorney General (Redacted with Non-Disclosure Agreement)
Robert Sydney, General Counsel, Division of Energy Resources (Redacted Copy)
Robert Ruddock, Associated Industries of Massachusetts (Redacted Copy)

**COMMONWEALTH OF MASSACHUSETTS**

**DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY**

| | | |
|---|---|---|
| NSTAR Gas Company | ) | D.T.E. 06-GAF-P8 |

**MOTION OF NSTAR GAS COMPANY**
**FOR PROTECTIVE TREATMENT OF CONFIDENTIAL INFORMATION**

Now comes NSTAR Gas Company ("NSTAR Gas" or the "Company") and hereby requests the Department of Telecommunications and Energy (the "Department") to grant protection from public disclosure of certain confidential, competitively sensitive and proprietary information submitted in this proceeding in accordance with G.L. c. 25, § 5D. The Company requests that the Department protect from public disclosure price terms in Section III of the Company's September 14, 2006 request for approval of its 2006 Peak Seasonal Cost of Gas Adjustment.[1] As discussed below, customer-specific information in these exhibits is competitively sensitive and its release to the public would jeopardize the integrity of future negotiations between the Company's customers and competitive suppliers, which would have an adverse impact on these parties.

## I. LEGAL STANDARD

Confidential information may be protected from public disclosure in accordance with G.L. c. 25, § 5D, which states in part that:

> The [D]epartment may protect from public disclosure, trade secrets, confidential, competitively sensitive or other proprietary information provided in the course of proceedings conducted pursuant to this chapter. There shall be a presumption that the information for which such

[1] The Company filed redacted copies of these exhibits on September 14, 2006.

> protection is sought is public information and the burden shall be on the proponent of such protection to prove the need for such protection. Where the need has been found to exist, the [D]epartment shall protect only so much of the information as is necessary to meet such need.

In interpreting the statute, the Department has held that:

> . . . [T]he burden on the company is to establish the need for protection of the information cited by the company. In determining the existence and extent of such need, the Department must consider the presumption in favor of disclosure and the specific reasons why disclosure of the disputed information benefits the public interest.

The Berkshire Gas Company et al., D.P.U. 93-187/188/189/190, at 16 (1994) as cited in Hearing Officers Ruling On the Motion of Boston Gas Company for Confidentiality, D.P.U. 96-50, at 4 (1996).

In practice, the Department has often exercised its authority to protect sensitive market information. For example, the Department has determined specifically that competitively sensitive information, such as price terms, are subject to protective status:

> The Department will continue to accord protective status when the proponent carries its burden of proof by indicating the manner in which the price term is competitively sensitive. Proponents generally will face a more difficult task of overcoming the statutory presumption against the disclosure of other terms, such as the identity of the customer.

Standard of Review for Electric Contracts, D.P.U. 96-39, at 2, Letter Order (August 30, 1996). See also Colonial Gas Company, D.P.U. 96-18, at 4 (1996) (the Department determined that price terms were protected in gas supply contracts and allowed Colonial Gas Company's request to protect pricing information including all "reservation fees or charges, demand charges, commodity charges and other pricing information").

Moreover, the Department has recognized that competitively sensitive terms in a competitive market should be protected and that such protection is desirable as a matter of public policy:

> The Department recognizes that the replacement gas purchases . . . are being made in a substantially competitive market with a wide field of potential suppliers. This competitive market should allow LDC's to obtain lower gas prices for the benefit of their ratepayers. Clearly the Department should ensure that its review process does not undermine the LDC's efforts to negotiate low cost flexible supply contracts for their systems. The Department also recognizes that a policy of affording contract confidentiality may add value to contracts and provide benefits to ultimate consumers of gas, the LDC's ratepayers, and therefore may be desirable for policy reasons.

The Berkshire Gas Company et al., D.P.U 93-187/188/189/190, at 20 (1994).

## II. BASIS FOR CONFIDENTIALITY

Section III of the Company's September 14, 2006 filing includes information regarding Non-Firm Transportation Activities of certain of the Company's customers. Specifically, Section III includes the volumes and rates associated with non-firm transportation agreements between customers and competitive gas suppliers. The Company seeks protection from public disclosure of customer-specific information because it is confidential, commercially sensitive and proprietary. The Company and certain of its customers are active participants in the gas-supply market and require confidential treatment of this information in order to protect bargaining latitude and negotiating leverage in the context of future agreements for non-firm transportation services.

As a general business principle, the Company treats all customer information as confidential and maintains such information as proprietary. For customers, their usage, billing and account information are likewise confidential and proprietary. It discloses non-public information regarding a customer and its usage characteristics in which customers have a legitimate privacy interest. In analogous circumstances in the electric industry, state law and Department precedent has protected consistently protected customer-specific information. See, e.g., Competitive Market Initiatives, D.T.E. 01-54-A at 6-7 (2001). See also G.L. c. 164, § 1C(v) (providing that a distribution company cannot share proprietary customer information with its affiliates without customer authorization); G.L. c. 164, § 1F(7) (directing the Department to establish rules and regulations governing the confidentiality of customer information).

Consistent with the Department's precedent, the Company is requesting confidential treatment for the customer-specific information contained in Section III. Disclosure of the information has the potential to cause substantial harm to NSTAR Gas' customers, who may in the future negotiate similar agreements with other participants in the Massachusetts gas market. Specifically, disclosure of the may create a circumstance where NSTAR Gas' customers would be compelled to negotiate against the prices set forth in Section III in virtually every subsequent contract. Such an outcome would be contrary to the interests of the Company's customers in that disclosure would potentially impede the Company's customers' ability to obtain similar or better terms from other suppliers in the future should it require additional non-firm transportation services.

In short, customer-specific information is private and must remain confidential to preserve the Company's customers' future negotiating leverage and its ability to function effectively in the gas supply marketplace. In addition, disclosure of contract price terms may dissuade gas suppliers, who must protect their competitive position in the national market, from marketing supplies in Massachusetts. Further, a lack of confidentiality may discourage suppliers from making concessions or agreeing to specific provisions more favorable to the buyer because public knowledge of such precedents would decrease the suppliers' bargaining leverage in other negotiations.

The harmful impact of such disclosures is well known to the Department. It has consistently held that such is confidential and recognized that price information is competitively sensitive as set forth in the statute. See Colonial Gas Company, D.P.U. 96-18, at 4 (1996). Indeed, the Department has recognized the gas industry's concerns regarding disclosure of supply contract terms. See The Berkshire Gas Company, D.P.U 93-187/188/189/190, at 20 (1994).

Consistent with the Department's directives in its March 7, 2006 Procedural Notice relating to cost of gas adjustment proceedings, the Company is requesting that the information in Section III referenced herein be protected from public disclosure for a period of three years.

## III. CONCLUSION

The Department has consistently held that certain customer-specific data are considered to be confidential, commercially sensitive and proprietary. Disclosure on the public record of information will negatively affect the Company's customers' future bargaining position and could have a negative effect on the marketplace by dissuading potential suppliers from competing in Massachusetts.

**WHEREFORE**, the Company respectfully requests that the Department grant its Motion for Protective Treatment as stated herein.

Respectfully submitted,

**NSTAR GAS COMPANY**

By its attorney,

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Boston, Massachusetts 02110
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Dated: September 14, 2006

# Tariff M.D.T.E. No. 402B

# LOCAL DISTRIBUTION ADJUSTMENT CLAUSE

## 1.0 PURPOSE

The Local Distribution Adjustment Clause ("LDAC") establishes the procedures that allow NSTAR Gas Company ("Company"), subject to the jurisdiction of the Massachusetts Department of Telecommunications and Energy ("M.D.T.E."), to adjust on an annual basis, its rates to recover Demand Side Management ("DSM") costs, environmental response costs, FERC Order 636 transition costs, and certain costs incurred by the Company as a result of its participation in the Massachusetts Gas Unbundling Collaborative, costs associated with the Pension Adjustment Mechanism, costs associated with the Residential Assistance Adjustment Clause, and to return to firm ratepayers balancing penalties and a portion of non-firm distribution margins allocated to firm distribution services. Any costs recovered through the application of this LDAC shall be identified and explained in the Company's annual filing as outlined in Section 12.0.

## 2.0 APPLICABILITY

This LDAC shall be applicable to all of the Company's firm Customers. As stated in Section 13.0, the application of the clause may, for good cause shown, be modified by the M.D.T.E.

## 3.0 DEFINITIONS

The following terms shall be as defined in this paragraph, unless the context requires otherwise:

| | |
|---|---|
| DSM Program Costs | Demand Side Management costs as approved by the M.D.T.E. |
| Conservation Charge ("CC") | The allowable per-unit collection rate derived from the DSM Program Costs. |
| Rate Category | A rate schedule for Distribution Service, or a group of such rate schedules, for which the M.D.T.E. has approved a single Conservation Charge for Demand Side Management services provided by the Company, as follows: Residential, Commercial/Industrial, and Other. |

## LOCAL DISTRIBUTION ADJUSTMENT CLAUSE

**3.0 DEFINITIONS (continued)**

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|---|---|
| **Therm** | **An amount of gas having a thermal content of 100,000 Btus** |
| **Total Throughput (T:Thru)** | **Forecasted firm throughput volumes in Therms for twelve consecutive months November to October, inclusive.** |
| **Environmental Response Costs (“ERC”)** | **All costs of investigation, testing, remediation, litigation expenses, and other liabilities relating to manufactured gas plant sites, disposal sites, or other sites onto which material may have migrated, as a result of the operating or decommissioning of Massachusetts gas manufacturing facilities.** |
| **Unamortized Environmental Response Costs (“UERC”)** | **The portion of the Environmental Response Costs approved for recovery but not yet included in any LDAC recovery calculation.** |
| **Number of Days Lag (“DL”)** | **The number of days lag to calculate the purchased gas working capital requirement as defined in the Company’s most recent rate case.** |
| **Effective Tax Rate (“TR”)** | **The combined effective state and federal income tax rate.** |
| **Cost of Equity (“CE”)** | **The equity component of the rate of return as approved by the M.D.T.E. in the Company’s most recent base rate case.** |
| **Cost of Debt (“CD”)** | **The debt component of the rate of return as approved by the M.D.T.E. in the Company’s most recent base rate case.** |
| **Tax Adjusted Cost of Capital** | **The sum of (1) the Cost of Debt and (2) the Cost of Equity divided by one minus the Effective Tax Rate.** |
| **Deferred Tax Benefit (“DTB”)** | **The Unamortized Environmental Response Costs multiplied by the Effective Tax Rate and by the Tax Adjusted Cost of Capital.** |
| **Insurance/Third Party Expense (“IE”)** | **Any expense incurred by the Company in pursuing insurance and third-party MGP claims.** |

## LOCAL DISTRIBUTION ADJUSTMENT CLAUSE

**3.0 DEFINITIONS (continued)**

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| **Insurance/Third-Party Recovery ("IR")** | **Any recovery received by the Company as a result of insurance and third-party MGP claims net of any Insurance/Third-Party Expenses not collected from ratepayers.** |
| **Remediation Adjustment Clause Reconciliation Adjustment ("Rrac")** | **The balance in Account 175.3 as outlined in Section 10.0.** |
| **Transition Costs ("TC")** | **Costs associated with the implementation of FERC Order 636 including (1) gas supply realignment or GSR costs, (2) stranded costs and (3) new facilities costs.** |
| **Transition Costs Reconciliation Adjustment ("TCR")** | **The balance in Account 175.60 as outlined in Section 10.0.** |
| **Transition Cost Working Capital Requirement ("TCWCreq")** | **The allowable working capital derived from FERC Order 636 Transition Costs.** |
| **Transition Cost Working Capital Allowance ("TCWC")** | **The allowable working capital cost per-unit collection rate derived from the Transition Cost Working Capital Requirement.** |
| **Transition Cost Working Capital Reconciliation Adjustment ("TCWCR")** | **The balance in Account 175.70 as outlined in Section 10.0.** |
| **Unbundling Cost ("UC")** | **All costs associated with the Company's participation in the Massachusetts Gas Unbundling Collaborative as approved by the M.D.T.E.** |

## LOCAL DISTRIBUTION ADJUSTMENT CLAUSE

### 3.0 DEFINITIONS (continued)

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| **Unbundling Cost Reconciliation Adjustment ("UCR")** | **The balance in Account 175.80 as outlined in Section 10.0.** |
| **Unbundling Cost Working Capital Requirement ("UCWCreq")** | **The allowable working capital derived from Unbundling Cost.** |
| **Unbundling Cost Working Capital Allowance ("UCWC")** | **The allowable working capital cost per-unit collection rate derived from the Unbundling Cost Working Capital Requirement.** |
| **Unbundling Cost Working Capital Reconciliation Adjustment ("UCWCR")** | **The balance in Account 175.90 as outlined in Section 10.0.** |
| **Balancing Penalties ("BP")** | **Penalty revenues collected by the Company in accordance with its Terms and Conditions.** |
| **Economic Benefit** | **The difference between the revenue and the marginal cost determined to provide non-firm distribution service.** |
| **Threshold Level** | **A level based on a historical twelve-month period ending April 30 of each year.** |
| **Non-Firm Distribution Margin ("NFM")** | **The Economic Benefit derived from the provision of non-firm distribution services. If the total credit exceeds the Threshold Level, then only seventy-five (75) percent of the credit earned in excess of the Threshold Level will be credited as established in DPU 93-141-A. Credits from Non-Firm Distribution Margins shall be adjusted to reflect additions or losses from Customers who switch from firm distribution to non-firm distribution, and conversely, from non-firm distribution to firm distribution.** |

## LOCAL DISTRIBUTION ADJUSTMENT CLAUSE

**Definitions (continued)**

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|---|---|
| **Service Quality Penalty (SQP)** | **Any service quality penalty assessed to NSTAR Gas Company in accordance with a M.D.T.E. approved service quality plan.** |

### 4.0 DEMAND SIDE MANAGEMENT COSTS ALLOWABLE FOR LDAC

### 4.1 Purpose

**This provision establishes the procedures that allow the Company, subject to the jurisdiction of the M.D.T.E., to adjust on an annual basis, the Conservation Charge to recover from firm ratepayers DSM Program Costs and associated expenditures.**

### 4.2 Applicability

**The Conservation Charge shall be applied to therm sales of the Company, subject to the jurisdiction of the M.D.T.E., as determined in accordance with the provisions of this rate schedule. Such Conservation Charge shall be determined annually by the Company separately for each Rate Category subject to review and approval by the M.D.T.E. The Conservation Charge shall be incorporated within the calculation of the LDAF for each Rate Category as set forth in Section 8.0.**

### 4.3 Definitions

**Unless otherwise noted, these definitions shall apply only to the recovery of DSM costs:**

| | |
|---|---|
| **Category Conservation Expenditures** | **Those expenses properly assignable or allocable to a Rate Category and incurred by the Company in furtherance of DSM programs that have been pre-approved by the M.D.T.E. pursuant to such orders as it may issue and its regulations as in effect from time to time.** |

## LOCAL DISTRIBUTION ADJUSTMENT CLAUSE

**4.3 Definitions (continued)**

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|---|---|
| **Lost Margins** | **Lost Margins shall be determined by multiplying Rate Category therm savings by the respective Rate Category recovery rate, both as approved by the M.D.T.E. from time to time. Lost Margins shall be recalculated in the Initial Lost Margins Reconciliation and the Final Lost Margins Reconciliation as described below. Whenever a general base rate proceeding is adjudicated by the M.D.T.E., the Company will cease to recover, commencing with the effective date of the new base rate schedules, the Lost Margins associated with DSM measures installed prior to the test year used in said base rate proceeding.** |
| **Category Therm Sales** | **The respective therm sales applicable to each Rate Category.** |
| **Category Reconciling Adjustment** | **The dollar amount, whether positive or negative, required to reconcile any difference between revenue collected from Customers pursuant to this rate schedule with respect to a given Rate Category during a given period of time, and the Category Conservation Expenditures incurred by the Company relative to such Rate Category during such period of time.** |

**4.4 Lost Margin Recovery**

**The recovery of Lost Margins will be subject to an "Initial Lost Margins Reconciliation" and a "Final Lost Margins Reconciliation" each to be determined, using the most recent program savings measurements, and submitted to the M.D.T.E. concurrently with one of the Company's annual Conservation Charge decimal filings, or at the time of an interim change in the Company's Conservation Charge decimals. The difference between the Lost Margins as preliminarily approved by the M.D.T.E. from time to time based upon engineering estimates of savings and as calculated using the measured savings resulting from the Gas Evaluation and Monitoring Study ("GEMS") and approved by the M.D.T.E. will be the Initial Lost Margins Reconciliation. This Initial Lost Margins Reconciliation will be submitted with the Company's first Conservation Charge decimal filing after such approved GEMS savings figures are available. The difference between the Lost Margins as calculated using the initial GEMS measured savings and the Lost Margins as calculated using final GEMS measured savings (if any) will be the Final Lost Margins Reconciliation and will be submitted the following year. The Initial Lost Margins Reconciliation and the Final Lost Margins Reconciliation, whether positive or negative, will be incorporated into the calculation of the Conservation Charge decimals being submitted for the M.D.T.E.'s approval with the Company's respective Conservation Charge decimal filing. The Conservation Charge shall be filed as part of the Company's overall LDAF filing pursuant to Section 12.0.**

**LOCAL DISTRIBUTION ADJUSTMENT CLAUSE**

**4.5 Calculation of Conservation Charges**

**The Company will forecast Category Conservation Expenditures for each Rate Category subject to this rate schedule for a future twelve-month period commencing November 1st of each year. The total of such Category Conservation Expenditures plus any prior period Category Reconciling Adjustment plus an allocated share of the Lost Margins shall be divided by Category Therm Sales as forecast by the Company for the same annual period. The resulting Conservation Charge shall be incorporated within the calculation of the LDAFs applied to firm Customers during each such twelve-month period commencing with the Peak Season.**

**4.6 Information to be Filed With the M.D.T.E.**

**As part of the Company's annual LDAF filing, the Company will submit to the M.D.T.E. for its consideration and approval, the Company's request for a change in the Conservation Charge applicable to the LDAFs for each Rate Category during the next subsequent twelve-month period commencing with the billing month of November.**

**The Company shall submit semi-annual reports to the M.D.T.E. setting forth Category Conservation Expenditures, Category Therm Sales and Conservation Charge revenue under this rate schedule, both as actually experienced and as estimated for the remaining forecast period. Such reports shall be filed with the M.D.T.E. on or before the last day of the first month after the close of each Peak Season and Off-Peak Season as designated by the Company.**

**4.7 Other Rules**

**Whenever the Company determines that, under one or more of the Conservation Charges then in effect, the sum of actual plus revised projected Category Conservation Expenditures exceeds the approved annual estimate by an aggregate amount of more than ten percent, the Company may apply to the M.D.T.E. for approval and authorization of an appropriate adjustment in such Conservation Charges. Whenever the Company determines that collections from any one or more of the approved Conservation Charges will exceed the sum of actual plus revised projected Category Conservation Expenditures by an aggregate amount of more than ten (10) percent, the Company will forthwith notify the M.D.T.E.. The M.D.T.E. thereupon may approve an adjustment in any one or more of the Conservation Charges then in effect.**

**The operation of this rate schedule shall be modified as may be necessary to include in the charges hereunder the dollar amount required to reconcile any difference between amounts**

**LOCAL DISTRIBUTION ADJUSTMENT CLAUSE**

**actually collected and costs experienced by the Company pursuant to the Company's superseded Conservation Charge (M.D.P.U. No. 233).**

## 5.0 ENVIRONMENTAL RESPONSE COSTS ALLOWABLE FOR LDAC

**All costs and other liabilities, adjusted for deferred tax benefits, associated with the investigation, testing, remediation and litigation relating to manufactured gas plant sites, disposal sites or other sites onto which material may have migrated as a result of the Manufactured Gas Process ("MGP"), as fully defined in the M.D.T.E.'s Order in DPU 89-161, may be included in the LDAC. In addition, one-half of the Insurance/Third-Party Expense less one-half of the Insurance/Third-Party Recovery, both as defined in Section 3.0, may be included.**

## 6.0 FERC ORDER 636 TRANSITION COSTS ALLOWABLE FOR LDAC

**All costs as defined and approved by the FERC, other than those transition costs pertaining to Account No. 191, including: (1) gas supply realignment or GSR costs; (2) stranded costs; and (3) new facilities costs, may be included in the LDAC.**

## 7.0 UNBUNDLING COSTS ALLOWABLE FOR LDAC

**All costs associated with the Company's participation in the Massachusetts Gas Unbundling Collaborative may be included in the LDAC as approved by the M.D.T.E.**

## 8.0 SERVICE QUALITY PENALTY ALLOWABLE FOR LDAC

**Any service quality penalties assessed to NSTAR Gas Company pursuant to a service quality plan approved may be included in the LDAC as approved by the M.D.T.E.**

## 9.0 PENSION ADJUSTMENT MECHANISM

**Costs associated with the Company's Pension Adjustment Mechanism tariff will be included in the LDAC as approved by the M.D.T.E. from time to time.**

## LOCAL DISTRIBUTION ADJUSTMENT CLAUSE

### 10.0 RESIDENTIAL ASSISTANCE ADJUSTMENT CLAUSE

**Costs associated with the Company's Residential Assistance Adjustment Clause tariff will be included in the LDAC as approved by the M.D.T.E. from time to time.**

### 11.0 FORMULAS

### 11.1 Local Distribution Adjustment Factor ("LDAF")

**The annual LDAF shall comprise an annual Rate Category specific Conservation Charge, the Remediation Adjustment Factor ("RAF"), the Transition Cost Factor ("TCF"), the Unbundling Charge Factor ("UCF"), the Balancing Penalty Credit Factor ("BPC"), and the Annual Non-Firm Distribution Credit Factor ("NFC"), calculated prior to November 1st of each year according to the following formula:**

$$LDAF = CC + RAF + TCF + UCF - BPC - NFC - SQP$$

### 11.2 Remediation Adjustment Factor

**The RAF consists of one-seventh of the actual Environmental Response Costs incurred by the Company in any calendar year for each year until fully amortized, less a deferred tax benefit, plus one-half of insurance and third-party expenses for the calendar year, less one-half of the insurance and third-party recoveries for the calendar year, plus the prior year's RAF reconciliation adjustment. This amount is then divided by the Company's forecast of total firm throughput volumes for the upcoming year.**

**The Deferred Tax Benefit is calculated by applying the Effective Tax Rate to the Company's Unamortized Environmental Response Costs to arrive at the deferred tax. The deferred tax is then multiplied by the Tax Adjusted Cost of Capital to arrive at the Deferred Tax Benefit.**

**The RAF shall be calculated according to the following formula:**

$$RAF = \frac{Sum(ERC/7) - DTB + ((IE - IR)*0.5) + Rrac}{T{:}Thru}$$

**where:**

$$DTB = UERC * TR * (CD + (CE/(1-TR)))$$

## LOCAL DISTRIBUTION ADJUSTMENT CLAUSE

### 11.3 Transition Cost Factor

**The TCF shall be calculated according to the following formula:**

$$TCF = \frac{TC + TCR}{T{:}Thru} + TCWC$$

**where:**

$$TCWC = \frac{TCWCreq * (CD + (CE/(1\text{-}TR))) + TCWCR}{T{:}Thru}$$

$$TCWCreq = TC * (DL/365)$$

### 11.4 Unbundling Charge Factor

**The UCF shall be calculated according to the following formula:**

$$UCF = \frac{UC + UCR}{T{:}Thru} + UCWC$$

**where:**

$$UCWC = \frac{UCWCreq * (CD + (CE/(1\text{-}TR))) + UCWCR}{T{:}Thru}$$

$$UCWCreq = UC * (DL/365)$$

### 11.5 Balancing Penalty Credit Factor

**The BPC shall be calculated according to the following formula:**

$$BPC = \frac{BP}{T{:}Thru}$$

## LOCAL DISTRIBUTION ADJUSTMENT CLAUSE

**11.6 Annual Non-Firm Distribution Credit Factor**

**The NFC shall be calculated according to the following formula:**

$$NFC = \frac{NFM}{T{:}Thru}$$

**11.7 Annual Service Quality Penalty Factor (SQPF)**

**The SQPF shall be calculated according to the following formula:**

$$SQPF = \frac{SQP}{T{:}Thru}$$

**2.0 RECONCILIATION ADJUSTMENTS**

**12.1 Environmental Response Cost**

**(a) Remediation Adjustment Clause expenses allowable per the RAF formula:**

**i. One-seventh of each calendar year's Environmental Response Cost less the Deferred Tax Benefit.**

**ii. One-half of the Insurance/Third-Party Expense, less one-half of the Insurance/Third-Party Expense.**

**(b) The RAF portion of the LDAF will be used as the convention for recognizing revenue toward the Environmental Response Cost.**

**(c) Account 175.3 shall contain the accumulated difference between the Environmental Response Cost allowable per the RAF formula and the revenue toward Environmental Response Cost as calculated by multiplying the RAF times firm throughput volumes.**

**(d) The RAF Reconciliation Adjustment shall be taken as the Account 175.3 balance as of October 31st of each year.**

**LOCAL DISTRIBUTION ADJUSTMENT CLAUSE**

**12.2 Transition Costs**

**(a) FERC 636 Transition Costs other than Account No. 191 costs allowable per the TCF formula:**

**i. Gas Supply Realignment costs ("GSR costs")**

**ii. Asset costs not directly assignable to Customers of unbundled services ("Stranded Costs").**

**iii. Other costs associated with the implementation of Order No. 636 ("New Facility Costs").**

**(b) The TCF portion of the LDAF will be used as the convention for recognizing revenue toward the Transition Costs.**

**(c) Account 175.60 shall contain the accumulated difference between the Transition Costs allowable per the TCF formula and the revenue toward Transition Costs as calculated by multiplying the TCF times firm throughput volumes.**

**(d) The TCF Reconciliation Adjustment shall be taken as the Account 175.60 balance as of October 31st of each year.**

**12.3 Unbundling Costs**

**(a) Unbundling Costs allowable per the UCF formula:**

**Costs associated with the Company's participation in the Massachusetts Gas Unbundling Collaborative.**

**(b) The UCF portion of the LDAF will be used as the convention for recognizing revenue toward the Unbundling Costs.**

**(c) Account 175.80 shall contain the accumulated difference between the Unbundling Costs allowable per the UCF formula and the revenue toward Unbundling Costs as calculated by multiplying the UCF times firm throughput volumes.**

**(d) The UCF Reconciliation Adjustment shall be taken as the Account 175.80 balance as of October 31st of each year.**

## LOCAL DISTRIBUTION ADJUSTMENT CLAUSE

**12.4 Working Capital Costs**

**(a) Working Capital Costs allowable per the TCF formula:**

**FERC 636 Transition Costs other than Account No. 191 costs.**

**(b) Account 175.70 shall contain the accumulated difference between the Transition Cost Working Capital Allowance and the revenue toward the Transition Cost Working Capital Allowance.**

**(c) The Transition Cost Working Capital Reconciliation Adjustment shall be taken as the Account 175.70 balance as of October 31st of each year.**

**(d) Working Capital Costs allowable per the UCF formula:**

**Costs associated with the Company's participation in the Massachusetts Gas Unbundling Collaborative.**

**(e) Account 175.90 shall contain the accumulated difference between the Unbundling Cost Working Capital Allowance and the revenue toward the Unbundling Cost Working Capital Allowance.**

**(f) The Unbundling Cost Working Capital Reconciliation Adjustment shall be taken as the Account 175.90 balance as of October 31st of each year.**

**13.0 EFFECTIVE DATE OF LOCAL DISTRIBUTION ADJUSTMENT FACTOR**

**The date on which the annual Local Distribution Adjustment Factors ("LDAF") become effective will November 1st of each year.**

**14.0 APPLICATION OF LDAF TO BILLS**

**The LDAF will be applied to the monthly firm distribution volumes for each Customer in a Rate Category. The annual LDAF for each Rate Category shall be calculated to the nearest one one-hundredth of a cent per Therm.**

## LOCAL DISTRIBUTION ADJUSTMENT CLAUSE

### 15.0 INFORMATION TO BE FILED WITH THE DEPARTMENT

**Information pertaining to the LDAF shall be filed with the M.D.T.E. in accordance with the standardized forms approved by the M.D.T.E.. Required filings include a monthly report which shall be submitted to the M.D.T.E. on the twentieth of each month, and an annual LDAF filing which shall be submitted to the M.D.T.E. at least 45 days before the date on which the new LDAF is to be effective, and an annual RAC filing which shall be submitted at least 90 days before the date on which the new LDAF is to be effective. Additionally, the Company shall file with the M.D.T.E. a complete list by (sub)account of all local distribution costs claimed as recoverable through the LDAC over the previous year, as included in the annual reconciliation. This information shall be submitted with each annual LDAF filing, along with complete documentation of the reconciliation adjustment calculations.**

### 16.0 OTHER RULES

**The M.D.T.E. may, where appropriate, on petition or on its own motion, grant an exception from the provisions of the applicable regulations and this rate schedule, upon such terms that it may determine to be in the public interest.**

**At any time, the M.D.T.E. may require the Company to file, or the Company may file with the M.D.T.E., an amended LDAF. Said filing must be submitted at least ten (10) days before the proposed effective date of the amended LDAF.**

**The operation of this rate schedule is subject to all powers of suspension and investigation vested in the M.D.T.E. by Chapter 164 of the General Laws of the Commonwealth of Massachusetts.**

### 17.0 CUSTOMER NOTIFICATION

**The Company will design a notice which explains in simple terms to Customers the LDAF, the nature of any change in the LDAF, and the manner in which the LDAF is applied to the bill. The Company will submit this notice for approval at the time of each LDAF filing. Upon approval by the M.D.T.E., the Company shall immediately distribute these notices to all of its Customers either through direct mail or with its bills.**

# Tariff M.D.T.E. No. 402B
# (REDLINED)

# LOCAL DISTRIBUTION ADJUSTMENT CLAUSE

## 1.0 PURPOSE

The Local Distribution Adjustment Clause ("LDAC") establishes the procedures that allow NSTAR Gas Company ("Company"), subject to the jurisdiction of the Massachusetts Department of Telecommunications and Energy ("M.D.T.E."), to adjust on an annual basis, its rates to recover Demand Side Management ("DSM") costs, environmental response costs, FERC Order 636 transition costs, and certain costs incurred by the Company as a result of its participation in the Massachusetts Gas Unbundling Collaborative, costs associated with the Pension Adjustment Mechanism, costs associated with the Residential Assistance Adjustment Clause, and to return to firm ratepayers balancing penalties and a portion of non-firm distribution margins allocated to firm distribution services. Any costs recovered through the application of this LDAC shall be identified and explained in the Company's annual filing as outlined in Section 12.0.

## 2.0 APPLICABILITY

This LDAC shall be applicable to all of the Company's firm Customers. As stated in Section 13.0, the application of the clause may, for good cause shown, be modified by the M.D.T.E.

## 3.0 DEFINITIONS

The following terms shall be as defined in this paragraph, unless the context requires otherwise:

| | |
|---|---|
| DSM Program Costs | Demand Side Management costs as approved by the M.D.T.E. |
| Conservation Charge ("CC") | The allowable per-unit collection rate derived from the DSM Program Costs. |
| Rate Category | A rate schedule for Distribution Service, or a group of such rate schedules, for which the M.D.T.E. has approved a single Conservation Charge for Demand Side Management services provided by the Company, as follows: Residential, Commercial/Industrial, and Other. |

## LOCAL DISTRIBUTION ADJUSTMENT CLAUSE

### 3.0 DEFINITIONS (continued)

| | |
|---|---|
| **Therm** | **An amount of gas having a thermal content of 100,000 Btus** |
| **Total Throughput (T:Thru)** | **Forecasted firm throughput volumes in Therms for twelve consecutive months November to October, inclusive.** |
| **Environmental Response Costs ("ERC")** | **All costs of investigation, testing, remediation, litigation expenses, and other liabilities relating to manufactured gas plant sites, disposal sites, or other sites onto which material may have migrated, as a result of the operating or decommissioning of Massachusetts gas manufacturing facilities.** |
| **Unamortized Environmental Response Costs ("UERC")** | **The portion of the Environmental Response Costs approved for recovery but not yet included in any LDAC recovery calculation.** |
| **Number of Days Lag ("DL")** | **The number of days lag to calculate the purchased gas working capital requirement as defined in the Company's most recent rate case.** |
| **Effective Tax Rate ("TR")** | **The combined effective state and federal income tax rate.** |
| **Cost of Equity ("CE")** | **The equity component of the rate of return as approved by the M.D.T.E. in the Company's most recent base rate case.** |
| **Cost of Debt ("CD")** | **The debt component of the rate of return as approved by the M.D.T.E. in the Company's most recent base rate case.** |
| **Tax Adjusted Cost of Capital** | **The sum of (1) the Cost of Debt and (2) the Cost of Equity divided by one minus the Effective Tax Rate.** |
| **Deferred Tax Benefit ("DTB")** | **The Unamortized Environmental Response Costs multiplied by the Effective Tax Rate and by the Tax Adjusted Cost of Capital.** |
| **Insurance/Third Party Expense** | **Any expense incurred by the Company in pursuing insurance and third-party MGP claims.** |

**LOCAL DISTRIBUTION ADJUSTMENT CLAUSE**

**(“IE”)**

**3.0 DEFINITIONS (continued)**

| | |
|---|---|
| **Insurance/Third-Party Recovery (“IR”)** | **Any recovery received by the Company as a result of insurance and third-party MGP claims net of any Insurance/Third-Party Expenses not collected from ratepayers.** |
| **Remediation Adjustment Clause Reconciliation Adjustment (“Rrac”)** | **The balance in Account 175.3 as outlined in Section 10.0.** |
| **Transition Costs (“TC”)** | **Costs associated with the implementation of FERC Order 636 including (1) gas supply realignment or GSR costs, (2) stranded costs and (3) new facilities costs.** |
| **Transition Costs Reconciliation Adjustment (“TCR”)** | **The balance in Account 175.60 as outlined in Section 10.0.** |
| **Transition Cost Working Capital Requirement (“TCWCreq”)** | **The allowable working capital derived from FERC Order 636 Transition Costs.** |
| **Transition Cost Working Capital Allowance (“TCWC”)** | **The allowable working capital cost per-unit collection rate derived from the Transition Cost Working Capital Requirement.** |
| **Transition Cost Working Capital Reconciliation Adjustment (“TCWCR”)** | **The balance in Account 175.70 as outlined in Section 10.0.** |
| **Unbundling Cost** | **All costs associated with the Company’s participation in the** |

## LOCAL DISTRIBUTION ADJUSTMENT CLAUSE

| | |
|---|---|
| **("UC")** | **Massachusetts Gas Unbundling Collaborative as approved by the M.D.T.E.** |

**3.0 DEFINITIONS (continued)**

| | |
|---|---|
| **Unbundling Cost Reconciliation Adjustment ("UCR")** | **The balance in Account 175.80 as outlined in Section 10.0.** |
| **Unbundling Cost Working Capital Requirement ("UCWCreq")** | **The allowable working capital derived from Unbundling Cost.** |
| **Unbundling Cost Working Capital Allowance ("UCWC")** | **The allowable working capital cost per-unit collection rate derived from the Unbundling Cost Working Capital Requirement.** |
| **Unbundling Cost Working Capital Reconciliation Adjustment ("UCWCR")** | **The balance in Account 175.90 as outlined in Section 10.0.** |
| **Balancing Penalties ("BP")** | **Penalty revenues collected by the Company in accordance with its Terms and Conditions.** |
| **Economic Benefit** | **The difference between the revenue and the marginal cost determined to provide non-firm distribution service.** |
| **Threshold Level** | **A level based on a historical twelve-month period ending April 30 of each year.** |
| **Non-Firm Distribution Margin ("NFM")** | **The Economic Benefit derived from the provision of non-firm distribution services. If the total credit exceeds the Threshold Level, then only seventy-five (75) percent of the credit earned in excess of the Threshold Level will be credited as established in DPU 93-141-A. Credits from Non-Firm Distribution Margins shall be adjusted to** |

LOCAL DISTRIBUTION ADJUSTMENT CLAUSE

reflect additions or losses from Customers who switch from firm distribution to non-firm distribution, and conversely, from non-firm distribution to firm distribution.

Definitions (continued)

| | |
|---|---|
| Service Quality Penalty (SQP) | Any service quality penalty assessed to NSTAR Gas Company in accordance with a M.D.T.E. approved service quality plan. |

4.0 DEMAND SIDE MANAGEMENT COSTS ALLOWABLE FOR LDAC

4.1 Purpose

This provision establishes the procedures that allow the Company, subject to the jurisdiction of the M.D.T.E., to adjust on an annual basis, the Conservation Charge to recover from firm ratepayers DSM Program Costs and associated expenditures.

4.2 Applicability

The Conservation Charge shall be applied to therm sales of the Company, subject to the jurisdiction of the M.D.T.E., as determined in accordance with the provisions of this rate schedule. Such Conservation Charge shall be determined annually by the Company separately for each Rate Category subject to review and approval by the M.D.T.E. The Conservation Charge shall be incorporated within the calculation of the LDAF for each Rate Category as set forth in Section 8.0.

4.3 Definitions

Unless otherwise noted, these definitions shall apply only to the recovery of DSM costs:

Category Conservation — Those expenses properly assignable or allocable to a Rate Category and incurred by the Company in furtherance of DSM programs that have been

## LOCAL DISTRIBUTION ADJUSTMENT CLAUSE

**Expenditures** pre-approved by the M.D.T.E. pursuant to such orders as it may issue and its regulations as in effect from time to time.

**4.3 Definitions (continued)**

**Lost Margins** Lost Margins shall be determined by multiplying Rate Category therm savings by the respective Rate Category recovery rate, both as approved by the M.D.T.E. from time to time. Lost Margins shall be recalculated in the Initial Lost Margins Reconciliation and the Final Lost Margins Reconciliation as described below. Whenever a general base rate proceeding is adjudicated by the M.D.T.E., the Company will cease to recover, commencing with the effective date of the new base rate schedules, the Lost Margins associated with DSM measures installed prior to the test year used in said base rate proceeding.

**Category Therm Sales** The respective therm sales applicable to each Rate Category.

**Category Reconciling Adjustment** The dollar amount, whether positive or negative, required to reconcile any difference between revenue collected from Customers pursuant to this rate schedule with respect to a given Rate Category during a given period of time, and the Category Conservation Expenditures incurred by the Company relative to such Rate Category during such period of time.

**4.4 Lost Margin Recovery**

The recovery of Lost Margins will be subject to an "Initial Lost Margins Reconciliation" and a "Final Lost Margins Reconciliation" each to be determined, using the most recent program savings measurements, and submitted to the M.D.T.E. concurrently with one of the Company's annual Conservation Charge decimal filings, or at the time of an interim change in the Company's Conservation Charge decimals. The difference between the Lost Margins as preliminarily approved by the M.D.T.E. from time to time based upon engineering estimates of savings and as calculated using the measured savings resulting from the Gas Evaluation and Monitoring Study ("GEMS") and approved by the M.D.T.E. will be the Initial Lost Margins Reconciliation. This Initial Lost Margins Reconciliation will be submitted with the Company's first Conservation Charge decimal filing after such approved GEMS savings figures are available. The difference between the Lost Margins as calculated using the initial GEMS measured savings and the Lost Margins as calculated using final

## LOCAL DISTRIBUTION ADJUSTMENT CLAUSE

**GEMS measured savings (if any) will be the Final Lost Margins Reconciliation and will be submitted the following year. The Initial Lost Margins Reconciliation and the Final Lost Margins Reconciliation, whether positive or negative, will be incorporated into the calculation of the Conservation Charge decimals being submitted for the M.D.T.E.'s approval with the Company's respective Conservation Charge decimal filing. The Conservation Charge shall be filed as part of the Company's overall LDAF filing pursuant to Section 12.0.**

### 4.5 Calculation of Conservation Charges

**The Company will forecast Category Conservation Expenditures for each Rate Category subject to this rate schedule for a future twelve-month period commencing November 1st of each year. The total of such Category Conservation Expenditures plus any prior period Category Reconciling Adjustment plus an allocated share of the Lost Margins shall be divided by Category Therm Sales as forecast by the Company for the same annual period. The resulting Conservation Charge shall be incorporated within the calculation of the LDAFs applied to firm Customers during each such twelve-month period commencing with the Peak Season.**

**LOCAL DISTRIBUTION ADJUSTMENT CLAUSE**

**4.6 Information to be Filed With the M.D.T.E.**

**As part of the Company's annual LDAF filing, the Company will submit to the M.D.T.E. for its consideration and approval, the Company's request for a change in the Conservation Charge applicable to the LDAFs for each Rate Category during the next subsequent twelve-month period commencing with the billing month of November.**

**The Company shall submit semi-annual reports to the M.D.T.E. setting forth Category Conservation Expenditures, Category Therm Sales and Conservation Charge revenue under this rate schedule, both as actually experienced and as estimated for the remaining forecast period. Such reports shall be filed with the M.D.T.E. on or before the last day of the first month after the close of each Peak Season and Off-Peak Season as designated by the Company.**

**4.7 Other Rules**

**Whenever the Company determines that, under one or more of the Conservation Charges then in effect, the sum of actual plus revised projected Category Conservation Expenditures exceeds the approved annual estimate by an aggregate amount of more than ten percent, the Company may apply to the M.D.T.E. for approval and authorization of an appropriate adjustment in such Conservation Charges. Whenever the Company determines that collections from any one or more of the approved Conservation Charges will exceed the sum of actual plus revised projected Category Conservation Expenditures by an aggregate amount of more than ten (10) percent, the Company will forthwith notify the M.D.T.E.. The M.D.T.E. thereupon may approve an adjustment in any one or more of the Conservation Charges then in effect.**

**The operation of this rate schedule shall be modified as may be necessary to include in the charges hereunder the dollar amount required to reconcile any difference between amounts actually collected and costs experienced by the Company pursuant to the Company's superseded Conservation Charge (M.D.P.U. No. 233).**

**5.0 ENVIRONMENTAL RESPONSE COSTS ALLOWABLE FOR LDAC**

**All costs and other liabilities, adjusted for deferred tax benefits, associated with the investigation, testing, remediation and litigation relating to manufactured gas plant sites,**

## LOCAL DISTRIBUTION ADJUSTMENT CLAUSE

**disposal sites or other sites onto which material may have migrated as a result of the Manufactured Gas Process ("MGP"), as fully defined in the M.D.T.E.'s Order in DPU 89-161, may be included in the LDAC. In addition, one-half of the Insurance/Third-Party Expense less one-half of the Insurance/Third-Party Recovery, both as defined in Section 3.0, may be included.**

### 6.0 FERC ORDER 636 TRANSITION COSTS ALLOWABLE FOR LDAC

**All costs as defined and approved by the FERC, other than those transition costs pertaining to Account No. 191, including: (1) gas supply realignment or GSR costs; (2) stranded costs; and (3) new facilities costs, may be included in the LDAC.**

### 7.0 UNBUNDLING COSTS ALLOWABLE FOR LDAC

**All costs associated with the Company's participation in the Massachusetts Gas Unbundling Collaborative may be included in the LDAC as approved by the M.D.T.E.**

### 8.0 SERVICE QUALITY PENALTY ALLOWABLE FOR LDAC

**Any service quality penalties assessed to NSTAR Gas Company pursuant to a service quality plan approved may be included in the LDAC as approved by the M.D.T.E~~,~~.**

### ~~8.0~~9.0 PENSION ADJUSTMENT MECHANISM

**Costs associated with the Company's Pension Adjustment Mechanism tariff will be included in the LDAC as approved by the M.D.T.E. from time to time.**

### ~~9.0~~10.0 RESIDENTIAL ASSISTANCE ADJUSTMENT CLAUSE

**Costs associated with the Company's Residential Assistance Adjustment Clause tariff will be included in the LDAC as approved by the M.D.T.E. from time to time.**

### 1~~0~~1.0 FORMULAS

## LOCAL DISTRIBUTION ADJUSTMENT CLAUSE

**1~~0~~1.1 Local Distribution Adjustment Factor (“LDAF”)**

**The annual LDAF shall comprise an annual Rate Category specific Conservation Charge, the Remediation Adjustment Factor (“RAF”), the Transition Cost Factor (“TCF”), the Unbundling Charge Factor (“UCF”), the Balancing Penalty Credit Factor (“BPC”), and the Annual Non-Firm Distribution Credit Factor (“NFC”), calculated prior to November 1st of each year according to the following formula:**

**LDAF = CC + RAF + TCF + UCF - BPC - NFC - SQP**

**1~~0~~1.2 Remediation Adjustment Factor**

**The RAF consists of one-seventh of the actual Environmental Response Costs incurred by the Company in any calendar year for each year until fully amortized, less a deferred tax benefit, plus one-half of insurance and third-party expenses for the calendar year, less one-half of the insurance and third-party recoveries for the calendar year, plus the prior year’s RAF reconciliation adjustment. This amount is then divided by the Company’s forecast of total firm throughput volumes for the upcoming year.**

**The Deferred Tax Benefit is calculated by applying the Effective Tax Rate to the Company’s Unamortized Environmental Response Costs to arrive at the deferred tax. The deferred tax is then multiplied by the Tax Adjusted Cost of Capital to arrive at the Deferred Tax Benefit.**

**The RAF shall be calculated according to the following formula:**

$$RAF = \frac{\mathrm{Sum}(ERC/7) - DTB + ((IE - IR)*0.5) + Rrac}{T{:}Thru}$$

**where:**

$$DTB = UERC * TR * (CD + (CE/(1-TR)))$$

**1~~0~~1.3 Transition Cost Factor**

**The TCF shall be calculated according to the following formula:**

$$TCF = \frac{TC + TCR}{\quad} + TCWC$$

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**T:Thru**

**where:**

$$TCWC = \frac{TCWCreq * (CD + (CE/(1-TR))) + TCWCR}{T{:}Thru}$$

$$TCWCreq = TC * (DL/365)$$

**LOCAL DISTRIBUTION ADJUSTMENT CLAUSE**

**1~~0~~1.4 Unbundling Charge Factor**

**The UCF shall be calculated according to the following formula:**

$$UCF = \frac{UC + UCR}{T:Thru} + UCWC$$

**where:**

$$UCWC = \frac{UCWCreq * (CD + (CE/(1-TR))) + UCWCR}{T:Thru}$$

$$UCWCreq = UC * (DL/365)$$

**1~~0~~1.5 Balancing Penalty Credit Factor**

**The BPC shall be calculated according to the following formula:**

$$BPC = \frac{BP}{T:Thru}$$

**1~~0~~1.6 Annual Non-Firm Distribution Credit Factor**

**The NFC shall be calculated according to the following formula:**

$$NFC = \frac{NFM}{T:Thru}$$

LOCAL DISTRIBUTION ADJUSTMENT CLAUSE

**11.7 Annual Service Quality Penalty Factor (SQPF)**

**The SQPF shall be calculated according to the following formula:**

~~Service Quality Penalty~~SQP ~~NFM~~
SQPF = -------------
T:Thru

**~~1~~2.0 RECONCILIATION ADJUSTMENTS**

**1~~1~~2.1 Environmental Response Cost**

(a) Remediation Adjustment Clause expenses allowable per the RAF formula:

i. One-seventh of each calendar year's Environmental Response Cost less the Deferred Tax Benefit.

ii. One-half of the Insurance/Third-Party Expense, less one-half of the Insurance/Third-Party Expense.

(b) The RAF portion of the LDAF will be used as the convention for recognizing revenue toward the Environmental Response Cost.

(c) Account 175.3 shall contain the accumulated difference between the Environmental Response Cost allowable per the RAF formula and the revenue toward Environmental Response Cost as calculated by multiplying the RAF times firm throughput volumes.

(d) The RAF Reconciliation Adjustment shall be taken as the Account 175.3 balance as of October 31st of each year.

**1~~1~~2.2 Transition Costs**

(a) FERC 636 Transition Costs other than Account No. 191 costs allowable per the TCF formula:

i. Gas Supply Realignment costs ("GSR costs")

**LOCAL DISTRIBUTION ADJUSTMENT CLAUSE**

ii. Asset costs not directly assignable to Customers of unbundled services ("Stranded Costs").

iii. Other costs associated with the implementation of Order No. 636 ("New Facility Costs").

(b) The TCF portion of the LDAF will be used as the convention for recognizing revenue toward the Transition Costs.

~~1~~12.2 ~~Transition Costs (continued)~~

(c) Account 175.60 shall contain the accumulated difference between the Transition Costs allowable per the TCF formula and the revenue toward Transition Costs as calculated by multiplying the TCF times firm throughput volumes.

(d) The TCF Reconciliation Adjustment shall be taken as the Account 175.60 balance as of October 31st of each year.

1~~1~~2.3 Unbundling Costs

(a) Unbundling Costs allowable per the UCF formula:

Costs associated with the Company's participation in the Massachusetts Gas Unbundling Collaborative.

(b) The UCF portion of the LDAF will be used as the convention for recognizing revenue toward the Unbundling Costs.

(c) Account 175.80 shall contain the accumulated difference between the Unbundling Costs allowable per the UCF formula and the revenue toward Unbundling Costs as calculated by multiplying the UCF times firm throughput volumes.

(d) The UCF Reconciliation Adjustment shall be taken as the Account 175.80 balance as of October 31st of each year.

**LOCAL DISTRIBUTION ADJUSTMENT CLAUSE**

**1~~1~~2.4 Working Capital Costs**

**(a) Working Capital Costs allowable per the TCF formula:**

**FERC 636 Transition Costs other than Account No. 191 costs.**

**(b) Account 175.70 shall contain the accumulated difference between the Transition Cost Working Capital Allowance and the revenue toward the Transition Cost Working Capital Allowance.**

**(c) The Transition Cost Working Capital Reconciliation Adjustment shall be taken as the Account 175.70 balance as of October 31st of each year.**

**(d) Working Capital Costs allowable per the UCF formula:**

**Costs associated with the Company's participation in the Massachusetts Gas Unbundling Collaborative.**

**(e) Account 175.90 shall contain the accumulated difference between the Unbundling Cost Working Capital Allowance and the revenue toward the Unbundling Cost Working Capital Allowance.**

**(f) The Unbundling Cost Working Capital Reconciliation Adjustment shall be taken as the Account 175.90 balance as of October 31st of each year.**

**13~~2~~.0 EFFECTIVE DATE OF LOCAL DISTRIBUTION ADJUSTMENT FACTOR**

**The date on which the annual Local Distribution Adjustment Factors ("LDAF") become effective will November 1st of each year.**

**1~~3~~4.0 APPLICATION OF LDAF TO BILLS**

**The LDAF will be applied to the monthly firm distribution volumes for each Customer in a Rate Category. The annual LDAF for each Rate Category shall be calculated to the nearest one one-hundredth of a cent per Therm.**

**LOCAL DISTRIBUTION ADJUSTMENT CLAUSE**

**1~~4~~5.0 INFORMATION TO BE FILED WITH THE DEPARTMENT**

**Information pertaining to the LDAF shall be filed with the M.D.T.E. in accordance with the standardized forms approved by the M.D.T.E.. Required filings include a monthly report which shall be submitted to the M.D.T.E. on the twentieth of each month, and an annual LDAF filing which shall be submitted to the M.D.T.E. at least 45 days before the date on which the new LDAF is to be effective, and an annual RAC filing which shall be submitted at least 90 days before the date on which the new LDAF is to be effective. Additionally, the Company shall file with the M.D.T.E. a complete list by (sub)account of all local distribution costs claimed as recoverable through the LDAC over the previous year, as included in the annual reconciliation. This information shall be submitted with each annual LDAF filing, along with complete documentation of the reconciliation adjustment calculations.**

**1~~5~~6.0 OTHER RULES**

**The M.D.T.E. may, where appropriate, on petition or on its own motion, grant an exception from the provisions of the applicable regulations and this rate schedule, upon such terms that it may determine to be in the public interest.**

**At any time, the M.D.T.E. may require the Company to file, or the Company may file with the M.D.T.E., an amended LDAF. Said filing must be submitted at least ten (10) days before the proposed effective date of the amended LDAF.**

**The operation of this rate schedule is subject to all powers of suspension and investigation vested in the M.D.T.E. by Chapter 164 of the General Laws of the Commonwealth of Massachusetts.**

**1~~6~~7.0 CUSTOMER NOTIFICATION**

**The Company will design a notice which explains in simple terms to Customers the LDAF, the nature of any change in the LDAF, and the manner in which the LDAF is applied to the bill. The Company will submit this notice for approval at the time of each LDAF filing. Upon approval by the M.D.T.E., the Company shall immediately distribute these notices to all of its Customers either through direct mail or with its bills.**

**D.T.E. 06-GAF-P8**

**SECTION I**

NSTAR GAS COMPANY

SEASONAL COST OF GAS ADJUSTMENT

**D.T.E. 06-GAF-P8**

NSTAR GAS COMPANY

Cost of Gas Adjustment Filing

Period: November 1, 2006 through April 30, 2007

Prepared by: Bryant K. Robinson
Revenue Requirements

Filed with the Department on: September 14, 2006

**D.T.E. 06-GAF-P8**

CALCULATION OF GAS ADJUSTMENT FACTORS AND SUPPORTING DATA

## NSTAR Gas Company
## Peak Cost of Gas Adjustment Clause (CGAC) Calcualtion
## for the period November 1, 2006 to October 31, 2007

| Line # | Peak Period 11/1/2006 to 4/30/2007 | Off-Peak Period 5/1/2007 to 10/31/2007 | 12 Month Total | | Description and Reference |
|---|---|---|---|---|---|
| 1 | $ 302,205,360 | $ 89,707,930 | $ 391,913,290 | CC = | Commodity Costs (Line 27) |
| 2 | $ 46,072,992 | $ 9,165,804 | $ 55,238,796 | DC = | Allocated Demand Costs (Line 34) |
| 3 | $ 8,418,593 | $ 2,438,504 | $ 10,857,097 | NFM = | Non-Firm Margin (Line 44) |
| 4 | $ 498,562 | $ 358,562 | $ 857,123 | AC = | Gas Acquisition Costs (Line 51) |
| 5 | $ (13,521,836) | $ (6,125,694) | $ (19,647,529) | RA = | Reconciling Adjustment (Line 55) |
| 6 | $ 326,836,485 | $ 90,668,098 | $ 417,504,583 | Lines 1 + 2 - 3 + 4 + 5 | Subtotal: Gas Adjustment Factor (GAF) Cost |
| 7 | 281,183,125 | 82,853,012 | 364,036,137 | VOL = | Forecast Billed Firm Sales - Therms (Schedule E) |
| 8 | $ 1.1624 | $ 1.0943 | | Line 6 / Line 7 | GAF before GAF Working Capital Allowance, Refund Credits and Bad Debt Costs |
| 9 | $ 0.0087 | $ 0.0055 | | GWC = | GAF Working Capital Allowance (Line 86) |
| 10 | $ 1.1711 | $ 1.0998 | | Line 8 + Line 9 | GAF before Refund Credits and Bad Debt Costs |
| 11 | $ (0.0004) | $ (0.0004) | | R1 = | Per Therm Supplier Refund Credit - R1 (Line 101) |
| 12 | $ - | $ - | | R2 = | Per Therm Supplier Refund Credit - R2 (Line 115) |
| 13 | $ (0.0004) | $ (0.0004) | | Line 11 + Line 12 | Subtotal: Per Therm Supplier Refund Credits |
| 14 | $ 0.0241 | $ 0.0207 | | BDC = | Per Therm Bad Debt Costs (Line 124) |
| 15 | $ 0.0001 | $ 0.0001 | | BDWC = | Per Therm Bad Debt Working Capital Allowance (Line 142) |
| 16 | $ 0.0242 | $ 0.0208 | | Line 14 + Line 15 | Subtotal: Per Therm Bad Debt Expense |
| 17 | **$ 1.1949** | **$ 1.1202** | | **Line 10 + Line 13 + Line 16** | **GAF Applicable to Customers' Bills** |

**NSTAR Gas Company**
PEAK SEASON COST OF GAS ADJUSTMENT CALCULATIONS
Supporting Data
Twelve Months Ending October 31, 2007

| Line # | | Peak | Off-Peak | 12 Month Total | Description |
|---|---|---|---|---|---|
| 18 | **A. Commodity Cost Calculation (CC)** | | | | |
| 19 | Schedule A | $ 214,045,570 | $ 89,826,076 | $ 303,871,646 | Base Commodity Costs (Firm + Non-Firm) |
| 20 | Schedule A | $ 8,144,370 | $ 71,328,770 | $ 79,473,140 | Injection Commodity Costs |
| 21 | Schedule A | $ 261,960 | $ 22,925,400 | $ 23,187,360 | Liquefaction Commodity Costs |
| 22 | Schedule A | $ 88,195,350 | $ - | $ 88,195,350 | Supplemental Commodity Costs |
| 23 | Sum of Lines 19 to 22 | $ 310,647,250 | $ 184,080,246 | $ 494,727,496 | Total Commodity Costs |
| 24 | | $ - | $ - | $ - | Company Use Gas (Cr.) (N/A) |
| 25 | Schedule C | $ (35,560) | $ (118,146) | $ (153,706) | Total Non-Firm Gas Costs (Cr.) |
| 26 | - (Line 20 + Line 21) | $ (8,406,330) | $ (94,254,170) | $ (102,660,500) | Total Injection & Liquefaction (Cr.) |
| 27 | Sum of Lines 23 to 26 | $ 302,205,360 | $ 89,707,930 | $ 391,913,290 | Net Commodity Cost - Purchases for Firm Sendout |
| 28 | | | | | |
| 29 | **B. Demand Cost Allocation (DC)** | | | | |
| 30 | Schedule B | | | $ 40,809,456 | Base Demand Charges |
| 31 | Line 39 | 77.54% | 22.46% | | PR Allocators |
| 32 | Line 30 * Line 31 | $ 31,643,652 | $ 9,165,804 | | Allocation of Base Demand Charges |
| 33 | Schedule B | $ 14,429,340 | $ - | | Supplemental Demand Charges |
| 34 | Line 32 + Line 33 | $ 46,072,992 | $ 9,165,804 | $ 55,238,796 | Allocated Demand Charges |
| 35 | | | | | |
| 36 | **C. Proportional Responsibility (PR) Allocator Calculation for Demand Reallocation** | | | | |
| 37 | Schedule D per Peak Season Filing | 183,652,800 | 82,494,700 | 266,147,500 | Volumes for Firm Base Sendout (Therms) |
| 38 | Line 37 Off-Peak / Line 37 Peak | | | 0.4492 | Off-Peak to Peak Ratio |
| 39 | Off-Peak = Line 38 / 2; Peak = 1 - Off-Peak Allocator | 77.54% | 22.46% | | Proportional Responsibility (PR) Allocators |
| 40 | | | | | |
| 41 | **D. Non-Firm Margin Allocation (NFM)** | | | | |
| 42 | Schedule F | | | $ 10,857,097 | Total Non-Firm Margin |
| 43 | Line 39 | 77.54% | 22.46% | | PR Allocators |
| 44 | Line 42 * Line 43 | $ 8,418,593 | $ 2,438,504 | | Allocated Non-Firm Margin |
| 45 | | | | | |
| 46 | **E. Gas Acquisition Cost Allocation (AC)** | | | | |
| 47 | DTE 98-53 | | | $ 717,123 | Annual Gas Acquisition Expense |
| 48 | Line 47 / 12 Months | | | $ 59,760 | Monthly Gas Acquisition Expense |
| 49 | Line 48 * 6 Months | $ 358,562 | $ 358,562 | $ 717,123 | Allocated Gas Acquisition Expense |
| 50 | FPO Implementation & Administration Cost | $ 140,000 | $ - | $ 140,000 | D.T.E. 06-66 FPO |
| 51 | Line 49 + Line 50 | $ 498,562 | $ 358,562 | $ 857,123 | Total Gas Acquisition Cost |

| Line # | | Peak | Off-Peak | 12 Month Total | Description | |
|---|---|---|---|---|---|---|
| | **NSTAR Gas Company** | | | | | |
| | PEAK SEASON COST OF GAS ADJUSTMENT CALCULATIONS | | | | | |
| | Supporting Data | | | | | |
| | Twelve Months Ending October 31, 2007 | | | | | |
| 52 | **F. Reconciling Balance Adjustment** | | | | | |
| 53 | Schedule H | $ (17,236,436) | $ (7,201,653) | $ (24,438,089) | Forecast Reconciling Balance at 10/31/06 | |
| 54 | Schedule H | $ 3,714,600 | $ 1,075,960 | $ 4,790,560 | Forecast Demand Cost Reconciling Balance at 10/31/06 | |
| 55 | Line 53 + Line 54 | $ (13,521,836) | $ (6,125,694) | $ (19,647,529) | Total Forecast Reconciling Balance @ 10/31/06 | |
| 56 | | | | | | |
| 57 | **G. Days Lag Calculation (DL)** | | | | | |
| 58 | | | | Computer | Special | All |
| 59 | | | | Billing | Ledger | Customers |
| 60 | Days Delay from Gas Service to Meter Reading | | | 15.21 | 15.21 | N/A |
| 61 | Days Delay from Reading to Billing | | | 3.47 | 5.24 | N/A |
| 62 | Days Delay from Billing to Collection | | | 35.14 | 35.14 | N/A |
| 63 | Total Days Lag in Receipt of Revenue | | | 53.82 | 55.59 | N/A |
| 64 | Billing Revenue ($ in 000's) | | | $ 196,193 | $ 53,639 | $ 249,832 |
| 65 | Line 63 * Line 64 | Weighting Factor | | $ 10,559,118 | $ 2,981,792 | $ 13,540,910 |
| 66 | Line 65 / Line 64 | Weighted Lag Days | | N/A | N/A | 54.20 |
| 67 | | Lead Days | | N/A | N/A | 36.95 |
| 68 | Line 66 - Line 67 | Calculated Net Lag Days | | N/A | N/A | 17.25 |
| 69 | D.P.U. 91-60 | Approved Net Lag Days | | N/A | N/A | 16.00 |
| 70 | | | | | | |
| 71 | **H. Gas Working Capital Allowance Calculation (GWC)** | | | | | |
| 72 | Line 27 | $ 302,205,360 | $ 89,707,930 | $ 391,913,290 | Commodity Costs of Sendout | |
| 73 | Line 34 | $ 46,072,992 | $ 9,165,804 | $ 55,238,796 | Demand Charges of Sendout | |
| 74 | - Line 25 | $ 35,560 | $ 118,146 | $ 153,706 | Non-Firm Gas Costs | |
| 75 | Sum of Lines 72 to 74 | $ 348,313,912 | $ 98,991,880 | $ 447,305,792 | Working Capital Gas Costs Allowable Per Base Formula | |
| 76 | Line 69 | 16.00 | 16.00 | 16.00 | Number of Days Lag | |
| 77 | Line 75 * (Line 76 / 365 Days) | $ 15,268,555 | $ 4,339,370 | $ 19,607,925 | Working Capital Requirement | |
| 78 | D.P.U. 91-60 | 4.54% | 4.54% | 4.54% | Cost of Debt | |
| 79 | D.P.U. 91-60 | 6.68% | 6.68% | 6.68% | Cost of Equity | |
| 80 | | 39.225% | 39.225% | 39.225% | Composite Tax Rate (TR) | |
| 81 | 1 - Line 80 | 60.775% | 60.775% | 60.775% | After Tax Income Effect (1 - TR) | |
| 82 | Line 77 * (Line 78 + (Line 79 / Line 81)) | $ 2,371,414 | $ 673,963 | $ 3,045,378 | Current Period Gas Working Capital Allowance | |
| 83 | ACs 175.4 & 175.5 | $ 61,468 | $ (216,147) | $ (154,679) | Gas Working Capital Reconciliation | |
| 84 | Line 82 * Line 83 | $ 2,432,882 | $ 457,816 | $ 2,890,699 | Total Gas Working Capital Allowance | |
| 85 | Schedule E | 281,183,125 | 82,853,012 | 364,036,137 | Forecast Billed Firm Sales (Therms) | |
| 86 | Line 84 / Line 85 | $ 0.0087 | $ 0.0055 | | Per Therm Gas Working Capital Allowance | |

**NSTAR Gas Company**
PEAK SEASON COST OF GAS ADJUSTMENT CALCULATIONS
Supporting Data
Twelve Months Ending October 31, 2007

| Line # | | Peak | Off-Peak | 12 Month Total | Description |
|---|---|---|---|---|---|
| 87 | | | | | |
| 88 | **I. Supplier Refunds (R1, R2)** | | | | |
| 89 | R1 - Refund Program Currently in Effect | | | | |
| 90 | Schedule I | | | $ (1,535) | Over/Under from Prior Program |
| 91 | Schedule I | | | $ 639,779 | Original Supplier Refund Amount |
| 92 | Schedule I | | | $ 20,078 | Pre-Initiation Interest |
| 93 | Schedule I | | | $ 23,386 | Post-Initiation Interest |
| 94 | Sum of Lines 90 to 93 | | | $ 681,708 | Total Amount in R1 Refund Program |
| 95 | | | | $ 484,046 | Actual Amount Refunded Nov '05 to Aug '06 |
| 96 | | | | $ 42,016 | Estimated Amount Refunded Sept '06 to Oct '06 |
| 97 | Line 94 - Line 95 - Line 96 | | | $ 155,647 | Estimated Amount to be Refunded/(Collected) |
| 98 | Line 39 | 77.54% | 22.46% | | PR Allocators |
| 99 | Line 97 * Line 98 | $ 120,688 | $ 34,958 | | Allocated R1 Refund |
| 100 | Schedule E | 281,183,125 | 82,853,012 | | Forecast Off-Peak Season Billed Firm Sales (Therms) |
| 101 | Line 99 / Line 100 | $ 0.0004 | $ 0.0004 | | Per Therm Allocated R1 Refund Factor |
| 102 | | | | | |
| 103 | R2 - Proposed Refund Program | | | | |
| 104 | Schedule I | | | $ - | Over/Under from Prior Program |
| 105 | Schedule I | | | $ - | Original Supplier Refund Amount |
| 106 | Schedule I | | | $ - | Pre-Initiation Interest |
| 107 | Schedule I | | | $ - | Post-Initiation Interest |
| 108 | Sum of Lines 104 to 107 | | | $ - | Total Amount in R2 Refund Program |
| 109 | | | | $ - | Amount Refunded |
| 110 | | | | $ - | Amount Expected to be Refunded |
| 111 | Line 108 - Line 109 - Line 110 | | | $ - | Remaining Amount to be Refunded/(Collected) |
| 112 | Line 39 | 77.54% | 22.46% | | PR Allocators |
| 113 | Line 111 * Line 112 | $ - | $ - | | Allocated R2 Refund |
| 114 | Schedule E | 281,183,125 | 82,853,012 | | Forecast Billed Firm Sales (Therms) |
| 115 | Line 113 / Line 114 | $ - | $ - | | Per Therm Allocated R2 Refund Factor |
| 116 | | | | | |

**NSTAR Gas Company**

PEAK SEASON COST OF GAS ADJUSTMENT CALCULATIONS

Supporting Data

Twelve Months Ending October 31, 2007

| Line # | | Peak | Off-Peak | 12 Month Total | Description |
|---|---|---|---|---|---|
| 117 | **J. Bad Debt Cost (BDC)** | | | | |
| 118 | D.T.E. 98-63 | | | $ 2,354,833 | Bad Debt Expense |
| 119 | Line 39 | 77.54% | 22.46% | | PR Allocators |
| 120 | Line 118 * Line 119 | $ 1,825,938 | $ 528,895 | | Allocated Bad Debt Costs |
| 121 | ACs 175.68 & 175.66 | $ 4,953,061 | $ 1,186,080 | | Bad Debt Expense Reconciliation |
| 122 | Line 120 + Line 121 | $ 6,778,999 | $ 1,714,975 | | Total Bad Debt Costs |
| 123 | Schedule E | 281,183,125 | 82,853,012 | | Forecast Billed Firm Sales (Therms) |
| 124 | Line 122 / Line 123 | $ 0.0241 | $ 0.0207 | | Per Therm Bad Debt Costs |
| 125 | | | | | |
| 126 | **K. Bad Debt Working Capital (BDWC)** | | | | |
| 127 | Line 118 | | | $ 2,354,833 | Bad Debt Expense |
| 128 | | | | $ - | Reserved |
| 129 | Line 127 + Line 128 | | | $ 2,354,833 | Allowable Working Capital Costs Attributable to Bad Debt Expense |
| 130 | Line 69 / Line 68 | | | 16.00 | Number of Days Lag |
| 131 | Line 129 * (Line 130 / 365 Days) | | | $ 103,226 | Bad Debt Working Capital Requirement |
| 132 | Line 78 | | | 4.54% | Cost of Debt |
| 133 | Line 79 | | | 6.68% | Cost of Equity |
| 134 | Line 80 | | | 39.225% | Composite Tax Rate (TR) |
| 135 | Line 81 | | | 60.775% | After Tax Income Effect (1 - TR) |
| 136 | Line 131 * (Line 132 + (Line 133 / Line 135)) | | | $ 16,032 | Bad Debt Working Capital Allowance |
| 137 | Line 39 | 77.54% | 22.46% | | PR Allocators |
| 138 | Line 136 * Line 137 | $ 12,431 | $ 3,601 | | Allocated Bad Debt Working Capital |
| 139 | ACs 175.69 & 175.67 | $ 28,511 | $ 6,755 | | Bad Debt Working Capital Reconciliation |
| 140 | Line 138 + Line 139 | $ 40,942 | $ 10,356 | | Total Bad Debt Working Capital Allowance |
| 141 | Schedule E | 281,183,125 | 82,853,012 | | Forecast Billed Firm Sales (Therms) |
| 142 | Line 140 / Line 141 | $ 0.0001 | $ 0.0001 | | Per Therm Off-Peak Bad Debt Working Capital Allowance |

**D.T.E. 06-GAF-P8**

SUPPORTING SCHEDULES

| | |
|---|---|
| Schedule A: | Commodity Costs |
| Schedule B: | Demand Costs |
| Schedule C: | Total Costs |
| Schedule D: | Volumes and Average Prices |
| Schedule E: | Firm Billed Sales |
| Schedule F: | Non-Firm Sales Margins |
| Schedule H: | Reconciling Adjustments |
| Schedule I: | Pipeline Refund Information |

NSTAR Gas Company

Monthly Projections for Seasonal Cost of Gas Adjustment

**Schedule A - Commodity Costs ($ in 000's)**

Twelve Months Ending October 31, 2007

| | Nov-06 | Dec-06 | Jan-07 | Feb-07 | Mar-07 | Apr-07 | Peak Subtotal | May-07 | Jun-07 | Jul-07 | Aug-07 | Sep-07 | Oct-07 | Off-Peak Subtotal | 12 Month Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Base** | | | | | | | | | | | | | | | |
| Supply Contracts | | | | | | | | | | | | | | | |
| Firm | $ 31,672 | $ 43,775 | $ 36,856 | $ 33,649 | $ 39,671 | $ 28,386 | $ 214,010 | $ 18,249 | $ 13,047 | $ 11,533 | $ 11,738 | $ 12,460 | $ 22,682 | $ 89,708 | $ 303,718 |
| Non-Firm | $ 9 | $ 4 | $ 2 | $ 1 | $ 0 | $ 19 | $ 36 | $ 31 | $ 2 | $ 31 | $ 35 | $ 15 | $ 4 | $ 118 | $ 154 |
| Total Injection | $ - | $ - | $ - | $ - | $ - | $ 8,144 | $ 8,144 | $ 13,644 | $ 13,969 | $ 13,771 | $ 13,932 | $ 13,334 | $ 2,679 | $ 71,329 | $ 79,473 |
| Total Liquefaction | $ - | $ - | $ - | $ - | $ - | $ 262 | $ 262 | $ 4,661 | $ 5,018 | $ 5,210 | $ 5,228 | $ 2,779 | $ 30 | $ 22,925 | $ 23,187 |
| Total Base | $ 31,681 | $ 43,780 | $ 36,858 | $ 33,650 | $ 39,672 | $ 36,812 | $ 222,452 | $ 36,585 | $ 32,035 | $ 30,545 | $ 30,933 | $ 28,587 | $ 25,395 | $ 184,080 | $ 406,532 |
| **Supplemental** | | | | | | | | | | | | | | | |
| Supply Contracts | | | | | | | | | | | | | | | |
| Storage Gas | $ 861 | $ 11,631 | $ 22,632 | $ 18,715 | $ 11,294 | $ 315 | $ 65,447 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 65,447 |
| LNG | $ - | $ 863 | $ 13,953 | $ 7,174 | $ 759 | $ - | $ 22,748 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 22,748 |
| Peaking Service Revenue | | | | | | | | | | | | | | | |
| Storage Gas | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| LNG | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Total Supplemental | $ 861 | $ 12,493 | $ 36,585 | $ 25,889 | $ 12,053 | $ 315 | $ 88,195 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 88,195 |
| Total Commodity Costs | $ 32,541 | $ 56,273 | $ 73,443 | $ 59,539 | $ 51,725 | $ 37,126 | $ 310,647 | $ 36,585 | $ 32,035 | $ 30,545 | $ 30,933 | $ 28,587 | $ 25,395 | $ 184,080 | $ 494,727 |

NSTAR Gas Company

Monthly Projections for Seasonal Cost of Gas Adjustment

**Schedule B - Demand Costs ($ in 000's)**

Twelve Months Ending October 31, 2007

| | Nov-06 | Dec-06 | Jan-07 | Feb-07 | Mar-07 | Apr-07 | Peak Subtotal | May-07 | Jun-07 | Jul-07 | Aug-07 | Sep-07 | Oct-07 | Off-Peak Subtotal | 12 Month Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Base** | | | | | | | | | | | | | | | |
| Pipeline Contracts | $ 3,661 | $ 3,761 | $ 3,761 | $ 3,761 | $ 3,761 | $ 3,697 | $ 22,401 | $ 3,598 | $ 3,398 | $ 3,398 | $ 3,398 | $ 3,398 | $ 3,598 | $ 20,789 | $ 43,190 |
| Supply Contracts | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| EUT Demand Credit - Pipeline | $ (198) | $ (198) | $ (198) | $ (198) | $ (198) | $ (198) | $ (1,190) | $ (198) | $ (198) | $ (198) | $ (198) | $ (198) | $ (198) | $ (1,190) | $ (2,381) |
| Other | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Total Base | $ 3,463 | $ 3,562 | $ 3,562 | $ 3,562 | $ 3,562 | $ 3,499 | $ 21,210 | $ 3,399 | $ 3,200 | $ 3,200 | $ 3,200 | $ 3,200 | $ 3,399 | $ 19,599 | $ 40,809 |
| **Supplemental** | | | | | | | | | | | | | | | |
| Storage Contracts | $ 527 | $ 529 | $ 529 | $ 529 | $ 529 | $ 529 | $ 3,170 | $ 529 | $ 529 | $ 529 | $ 529 | $ 529 | $ 529 | $ 3,172 | $ 6,343 |
| LNG (Hopco Demand) | $ 836 | $ 836 | $ 836 | $ 836 | $ 836 | $ 836 | $ 5,015 | $ 836 | $ 836 | $ 836 | $ 836 | $ 836 | $ 836 | $ 5,015 | $ 10,030 |
| EUT Demand Credit - Storage | $ (91) | $ (91) | $ (91) | $ (91) | $ (91) | $ (91) | $ (545) | $ (91) | $ (91) | $ (91) | $ (91) | $ (91) | $ (91) | $ (545) | $ (1,089) |
| EUT Demand Credit - LNG | $ (142) | $ (142) | $ (142) | $ (142) | $ (142) | $ (142) | $ (854) | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ (854) |
| Other | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Total Supplemental | $ 1,130 | $ 1,131 | $ 1,131 | $ 1,131 | $ 1,131 | $ 1,131 | $ 6,787 | $ 1,274 | $ 1,274 | $ 1,274 | $ 1,274 | $ 1,274 | $ 1,274 | $ 7,642 | $ 14,429 |
| Total Demand Costs | $ 4,592 | $ 4,694 | $ 4,694 | $ 4,694 | $ 4,694 | $ 4,630 | $ 27,997 | $ 4,673 | $ 4,474 | $ 4,474 | $ 4,474 | $ 4,474 | $ 4,673 | $ 27,241 | $ 55,239 |
| Allocated Demand Costs | $ 7,679 | $ 7,679 | $ 7,679 | $ 7,679 | $ 7,679 | $ 7,679 | $ 46,073 | $ 1,528 | $ 1,528 | $ 1,528 | $ 1,528 | $ 1,528 | $ 1,528 | $ 9,166 | $ 55,239 |

NSTAR Gas Company

Monthly Projections for Seasonal Cost of Gas Adjustment

**Schedule C - Total Costs ($ in 000's)**

Twelve Months Ending October 31, 2007

| | Nov-06 | Dec-06 | Jan-07 | Feb-07 | Mar-07 | Apr-07 | Peak Subtotal | May-07 | Jun-07 | Jul-07 | Aug-07 | Sep-07 | Oct-07 | Off-Peak Subtotal | 12 Month Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Firm Base Demand | $ 3,463 | $ 3,562 | $ 3,562 | $ 3,562 | $ 3,562 | $ 3,499 | $ 21,210 | $ 3,399 | $ 3,200 | $ 3,200 | $ 3,200 | $ 3,200 | $ 3,399 | $ 19,599 | $ 40,809 |
| Firm Base Commodity | $ 31,672 | $ 43,775 | $ 36,856 | $ 33,649 | $ 39,671 | $ 28,386 | $ 214,010 | $ 18,249 | $ 13,047 | $ 11,533 | $ 11,738 | $ 12,460 | $ 22,682 | $ 89,708 | $ 303,718 |
| Sub-Total Base Costs | $ 35,134 | $ 47,337 | $ 40,419 | $ 37,212 | $ 43,234 | $ 31,885 | $ 235,220 | $ 21,649 | $ 16,247 | $ 14,733 | $ 14,938 | $ 15,660 | $ 26,081 | $ 109,307 | $ 344,527 |
| Firm Supplemental Demand | $ 1,130 | $ 1,131 | $ 1,131 | $ 1,131 | $ 1,131 | $ 1,131 | $ 6,787 | $ 1,274 | $ 1,274 | $ 1,274 | $ 1,274 | $ 1,274 | $ 1,274 | $ 7,642 | $ 14,429 |
| Firm Supplemental Commodity | $ 861 | $ 12,493 | $ 36,585 | $ 25,889 | $ 12,053 | $ 315 | $ 88,195 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 88,195 |
| Sub-Total Supplemental Costs | $ 1,991 | $ 13,625 | $ 37,716 | $ 27,020 | $ 13,184 | $ 1,446 | $ 94,982 | $ 1,274 | $ 1,274 | $ 1,274 | $ 1,274 | $ 1,274 | $ 1,274 | $ 7,642 | $ 102,625 |
| Total Firm | $ 37,125 | $ 60,962 | $ 78,135 | $ 64,232 | $ 56,418 | $ 33,331 | $ 330,203 | $ 22,922 | $ 17,521 | $ 16,006 | $ 16,212 | $ 16,933 | $ 27,355 | $ 116,949 | $ 447,152 |
| Total Non-Firm | $ 9 | $ 4 | $ 2 | $ 1 | $ 0 | $ 19 | $ 36 | $ 31 | $ 2 | $ 31 | $ 35 | $ 15 | $ 4 | $ 118 | $ 154 |
| Total Injection | $ - | $ - | $ - | $ - | $ - | $ 8,144 | $ 8,144 | $ 13,644 | $ 13,969 | $ 13,771 | $ 13,932 | $ 13,334 | $ 2,679 | $ 71,329 | $ 79,473 |
| Total Liquefaction | $ - | $ - | $ - | $ - | $ - | $ 262 | $ 262 | $ 4,661 | $ 5,018 | $ 5,210 | $ 5,228 | $ 2,779 | $ 30 | $ 22,925 | $ 23,187 |
| Total Commodity and Demand | $ 37,134 | $ 60,967 | $ 78,137 | $ 64,232 | $ 56,418 | $ 41,757 | $ 338,645 | $ 41,258 | $ 36,509 | $ 35,019 | $ 35,406 | $ 33,061 | $ 30,068 | $ 211,322 | $ 549,966 |

NSTAR Gas Company

Monthly Projections for Seasonal Cost of Gas Adjustment

**Schedule D - Volumes in Therms & Average Prices per Therm**

Twelve Months Ending October 31, 2007

| | Nov-06 | Dec-06 | Jan-07 | Feb-07 | Mar-07 | Apr-07 | Peak Subtotal | May-07 | Jun-07 | Jul-07 | Aug-07 | Sep-07 | Oct-07 | Off-Peak Subtotal | 12 Month Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Volumes in Therms (Bbtu * 10,000)** | | | | | | | | | | | | | | | |
| **Base** | | | | | | | | | | | | | | | |
| Supply Contracts | | | | | | | | | | | | | | | |
| Firm | 31,905,600 | 36,209,700 | 28,464,300 | 26,151,500 | 31,809,100 | 29,112,600 | 183,652,800 | 17,582,500 | 11,783,200 | 9,991,700 | 9,991,700 | 11,109,700 | 22,035,900 | 82,494,700 | 266,147,500 |
| Non-Firm | 9,000 | 4,110 | 2,000 | 630 | 60 | 20,010 | 35,810 | 30,010 | 1,670 | 27,010 | 30,010 | 13,010 | 4,010 | 105,720 | 141,530 |
| Total Injection | - | - | - | - | - | 8,443,400 | 8,443,400 | 14,630,100 | 14,877,200 | 14,478,400 | 14,519,100 | 13,747,000 | 2,714,000 | 74,965,800 | 83,409,200 |
| Total Liquefaction | - | - | - | - | - | 278,200 | 278,200 | 5,040,900 | 5,369,900 | 5,514,200 | 5,482,800 | 2,885,000 | 31,000 | 24,323,800 | 24,602,000 |
| Total Firm Volumes | 31,905,600 | 36,209,700 | 28,464,300 | 26,151,500 | 31,809,100 | 29,112,600 | 183,652,800 | 17,582,500 | 11,783,200 | 9,991,700 | 9,991,700 | 11,109,700 | 22,035,900 | 82,494,700 | 266,147,500 |
| Total Non-Firm Volumes | 9,000 | 4,110 | 2,000 | 630 | 60 | 20,010 | 35,810 | 30,010 | 1,670 | 27,010 | 30,010 | 13,010 | 4,010 | 105,720 | 141,530 |
| Total Base Volumes | 31,914,600 | 36,213,810 | 28,466,300 | 26,152,130 | 31,809,160 | 37,854,210 | 192,410,210 | 37,283,510 | 32,031,970 | 30,011,310 | 30,023,610 | 27,754,710 | 24,784,910 | 181,890,020 | 374,300,230 |
| **Supplemental** | | | | | | | | | | | | | | | |
| Supply Contracts | | | | | | | | | | | | | | | |
| Storage Gas | 1,112,500 | 15,031,100 | 28,964,700 | 23,988,000 | 14,616,700 | 361,100 | 84,074,100 | - | - | - | - | - | - | - | 84,074,100 |
| LNG | - | 933,000 | 15,089,800 | 7,758,300 | 820,300 | - | 24,601,400 | - | - | - | - | - | - | - | 24,601,400 |
| Withdrawal Fuel Loss | (10,200) | (144,000) | (514,800) | (398,800) | (126,000) | (2,700) | (1,196,500) | - | - | - | - | - | - | - | (1,196,500) |
| Total Supplemental Volumes | 1,102,300 | 15,820,100 | 43,539,700 | 31,347,500 | 15,311,000 | 358,400 | 107,479,000 | - | - | - | - | - | - | - | 107,479,000 |
| Total Volumes | 33,016,900 | 52,033,910 | 72,006,000 | 57,499,630 | 47,120,160 | 38,212,610 | 299,889,210 | 37,283,510 | 32,031,970 | 30,011,310 | 30,023,610 | 27,754,710 | 24,784,910 | 181,890,020 | 481,779,230 |
| **Average Prices ($/Therm)** | | | | | | | | | | | | | | | |
| **Base** | | | | | | | | | | | | | | | |
| Supply Contracts Base | $ 0.9927 | $ 1.2089 | $ 1.2948 | $ 1.2867 | $ 1.2472 | $ 0.9750 | $ 1.1653 | $ 1.0379 | $ 1.1072 | $ 1.1542 | $ 1.1748 | $ 1.1215 | $ 1.0293 | $ 1.0875 | $ 1.1411 |
| Base Gas to Injection | $ - | $ - | $ - | $ - | $ - | $ 0.9646 | $ 0.9646 | $ 0.9326 | $ 0.9389 | $ 0.9512 | $ 0.9595 | $ 0.9700 | $ 0.9869 | $ 0.9515 | $ 0.9528 |
| Base Gas to Liquefaction | $ - | $ - | $ - | $ - | $ - | $ 0.9416 | $ 0.9416 | $ 0.9246 | $ 0.9345 | $ 0.9449 | $ 0.9534 | $ 0.9631 | $ 0.9813 | $ 0.9425 | $ 0.9425 |
| **Supplemental Commodity** | | | | | | | | | | | | | | | |
| Supply Contracts Supplemental | $ 0.7737 | $ 0.7738 | $ 0.7814 | $ 0.7802 | $ 0.7727 | $ 0.8714 | $ 0.7784 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 0.7784 |
| LNG | $ - | $ 0.9247 | $ 0.9247 | $ 0.9247 | $ 0.9247 | $ - | $ 0.9247 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 0.9247 |

NSTAR Gas Company

Monthly Projections for Seasonal Cost of Gas Adjustment

**Schedule E - Sales in Therms (Bbtu * 10,000)**

Twelve Months Ending October 31, 2007

| | Nov-06 | Dec-06 | Jan-07 | Feb-07 | Mar-07 | Apr-07 | Peak Subtotal | May-07 | Jun-07 | Jul-07 | Aug-07 | Sep-07 | Oct-07 | Off-Peak Subtotal | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Purchases for Total Sales | 33,016,900 | 52,033,910 | 72,006,000 | 57,499,630 | 47,120,160 | 29,491,010 | 291,167,610 | 17,612,510 | 11,784,870 | 10,018,710 | 10,021,710 | 11,122,710 | 22,039,910 | 82,600,420 | 373,768,030 |
| | | | | | | | | | | | | | | | |
| Less: Company Use | 84,340 | 136,760 | 179,790 | 143,010 | 115,280 | 70,570 | 729,750 | 40,190 | 25,560 | 21,310 | 20,540 | 23,940 | 51,950 | 183,490 | 913,240 |
| Losses | 972,800 | 1,506,830 | 2,485,700 | 1,863,130 | 1,655,670 | 916,050 | 9,400,180 | 531,880 | 360,740 | 266,940 | 255,080 | 309,210 | 556,360 | 2,280,210 | 11,680,390 |
| | | | | | | | | | | | | | | | |
| Sendout for Sales | 31,959,760 | 50,390,320 | 69,340,510 | 55,493,490 | 45,349,210 | 28,504,390 | 281,037,680 | 17,040,440 | 11,398,570 | 9,730,460 | 9,746,090 | 10,789,560 | 21,431,600 | 80,136,720 | 361,174,400 |
| | | | | | | | | | | | | | | | |
| Less: Non-Firm Sales | 9,000 | 4,110 | 2,000 | 630 | 60 | 20,010 | 35,810 | 30,010 | 1,670 | 27,010 | 30,010 | 13,010 | 4,010 | 105,720 | 141,530 |
| | | | | | | | | | | | | | | | |
| Sendout for Firm Sales | 31,950,760 | 50,386,210 | 69,338,510 | 55,492,860 | 45,349,150 | 28,484,380 | 281,001,870 | 17,010,430 | 11,396,900 | 9,703,450 | 9,716,080 | 10,776,550 | 21,427,590 | 80,031,000 | 361,032,870 |
| | | | | | | | | | | | | | | | |
| Allocation Ratio | 74.60% | 80.30% | 95.90% | 110.30% | 114.00% | 131.60% | | 146.00% | 129.60% | 103.20% | 89.30% | 86.90% | 70.90% | | |
| | | | | | | | | | | | | | | | |
| Unbilled Firm Sales | 8,115,493 | 9,926,083 | 2,842,879 | (5,715,765) | (6,348,881) | (9,001,064) | (181,255) | (7,824,798) | (3,373,482) | (310,510) | 1,039,621 | 1,411,728 | 6,235,429 | (2,822,012) | (3,003,267) |
| | | | | | | | | | | | | | | | |
| Billed Firm Sales | 23,835,267 | 40,460,127 | 66,495,631 | 61,208,625 | 51,698,031 | 37,485,444 | 281,183,125 | 24,835,228 | 14,770,382 | 10,013,960 | 8,676,459 | 9,364,822 | 15,192,161 | 82,853,012 | 364,036,137 |

NSTAR Gas Company

Monthly Projections for Seasonal Cost of Gas Adjustment

**Schedule F - Non-Firm Sales Margin ($ in 000's)**

Twelve Months Ending October 31, 2007

| | Nov-06 | Dec-06 | Jan-07 | Feb-07 | Mar-07 | Apr-07 | Peak Subtotal | May-07 | Jun-07 | Jul-07 | Aug-07 | Sep-07 | Oct-07 | Off-Peak Subtotal | 12 Month Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Interruptible Sales Therms (Bbtu * 10,000) | 9,000 | 4,110 | 2,000 | 630 | 60 | 20,010 | 35,810 | 30,010 | 1,670 | 27,010 | 30,010 | 13,010 | 4,010 | 105,720 | 141,530 |
| Avg. Margin ($/Therm) | $ 0.0500 | $ 0.0500 | $ 0.0500 | $ 0.0500 | $ 0.0500 | $ 0.0500 | $ 0.0500 | $ 0.0500 | $ 0.0500 | $ 0.0500 | $ 0.0500 | $ 0.0500 | $ 0.0500 | $ 0.0500 | $ 0.0500 |
| Interruptible Margin | $ 0 | $ 0 | $ 0 | $ 0 | $ 0 | $ 1 | $ 2 | $ 2 | $ 0 | $ 1 | $ 2 | $ 1 | $ 0 | $ 5 | $ 7 |
| | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |
| Capacity Release Therms (Bbtu * 10,000) | - | - | - | - | - | | - | | | | | | | - | - |
| Capacity Release Margin ($/Therm) | $ - | $ - | $ - | $ - | $ - | $ - | | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Capacity Release Margin | $ 892 | $ 922 | $ 922 | $ 832 | $ 922 | $ 892 | $ 5,380 | $ 922 | $ 892 | $ 922 | $ 922 | $ 892 | $ 922 | $ 5,470 | $ 10,850 |
| | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |
| Quasi-Firm Sales Therms (Bbtu * 10,000) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Quasi-Firm Margin ($/Therm) | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Allocation to Firm Customers | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Quasi-Firm Settlement Credit | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Net Quasi-Firm Margin ($000) | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |
| Sales for Resale Therms (Bbtu * 10,000) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Revenue | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Gas Costs | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Sales for Resale Margin | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| | | | | | | | | | | | | | | | |
| Total Non-Firm Sales Margin | $ 892 | $ 922 | $ 922 | $ 832 | $ 922 | $ 893 | $ 5,382 | $ 923 | $ 892 | $ 923 | $ 923 | $ 892 | $ 922 | $ 5,475 | $ 10,857 |
| Allocated Non-Firm Sales Margin | $ 1,403 | $ 1,403 | $ 1,403 | $ 1,403 | $ 1,403 | $ 1,403 | $ 8,419 | $ 406 | $ 406 | $ 406 | $ 406 | $ 406 | $ 406 | $ 2,439 | $ 10,857 |

NSTAR Gas Company

Monthly Projections for Seasonal Cost of Gas Adjustment

**Schedule H - CGAC Commodity & Demand Cost Reconciliation ($ in 000's)**

Twelve Months Ending October 31, 2006

| | Actual Nov-05 | Actual Dec-05 | Actual Jan-06 | Actual Feb-06 | Actual Mar-06 | Actual Apr-06 | Peak Subtotal | Actual May-06 | Actual Jun-06 | Actual Jul-06 | Actual Aug-06 | Forecast Sep-06 | Forecast Oct-06 | Off-Peak Subtotal | 12 Month Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Overall Reconciliation: Nov '05 through Oct '06** | | | | | | | | | | | | | | | |
| Beginning Balance: (Over)/Under Collection | $ (8,398) | $ 9,595 | $ 22,094 | $ 5,163 | $ (7,604) | $ (20,894) | $ (8,398) | $ (25,715) | $ (29,118) | $ (31,346) | $ (29,898) | $ (26,322) | $ (24,090) | $ (25,715) | $ (8,398) |
| Allowable CGAC Costs | $ 51,059 | $ 72,124 | $ 67,287 | $ 54,722 | $ 45,040 | $ 22,153 | $ 312,384 | $ 17,204 | $ 13,218 | $ 12,207 | $ 12,434 | $ 12,947 | $ 21,297 | $ 89,308 | $ 401,692 |
| GAF Revenues | $ (33,070) | $ (59,719) | $ (84,300) | $ (67,481) | $ (58,240) | $ (26,825) | $ (329,635) | $ (20,427) | $ (15,245) | $ (10,549) | $ (8,665) | $ (10,542) | $ (16,705) | $ (82,133) | $ (411,768) |
| Subtotal: (Over)/Under Collection | $ 9,591 | $ 22,000 | $ 5,081 | $ (7,597) | $ (20,804) | $ (25,565) | $ (25,648) | $ (28,938) | $ (31,145) | $ (29,688) | $ (26,130) | $ (23,917) | $ (19,498) | $ (18,541) | $ (18,474) |
| | | | | | | | | | | | | | | | |
| Average Monthly Balance (Over)/Under Collectio | $ 597 | $ 15,797 | $ 13,587 | $ (1,217) | $ (14,204) | $ (23,229) | | $ (27,326) | $ (30,131) | $ (30,517) | $ (28,014) | $ (25,120) | $ (21,794) | | |
| Interest Rate (Prime Rate) | 7.00% | 7.15% | 7.26% | 7.50% | 7.53% | 7.75% | | 7.93% | 8.02% | 8.25% | 8.25% | 8.25% | 8.25% | | |
| Monthly Interest on (Over)/Under Collection | $ 3 | $ 94 | $ 82 | $ (8) | $ (89) | $ (150) | $ (67) | $ (181) | $ (201) | $ (210) | $ (193) | $ (173) | $ (150) | $ (1,107) | $ (1,174) |
| Total: (Over)/Under Collection | $ 9,595 | $ 22,094 | $ 5,163 | $ (7,604) | $ (20,894) | $ (25,715) | $ (25,715) | $ (29,118) | $ (31,346) | $ (29,898) | $ (26,322) | $ (24,090) | $ (19,648) | $ (19,648) | $ (19,648) |
| | | | | | | | | | | | | | | | |
| **Peak Period Reconciliation: Nov '05 through Oct '06** | | | | | | | | | | | | | | | |
| Beginning Balance: (Over)/Under Collection | $ (15,951) | $ 4,725 | $ 19,728 | $ 5,457 | $ (3,895) | $ (14,612) | $ (15,951) | $ (16,550) | $ (16,659) | $ (16,770) | $ (16,886) | $ (17,002) | $ (17,119) | $ (16,550) | $ (15,951) |
| Allowable CGAC Costs | $ 51,059 | $ 72,124 | $ 67,287 | $ 54,722 | $ 45,040 | $ 22,153 | $ 312,384 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 312,384 |
| Less: Actual/Forecast Demand Costs | $ 4,307 | $ 4,500 | $ 4,361 | $ 3,624 | $ 4,485 | $ 4,192 | $ 25,470 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 25,470 |
| Add: Allocated Demand Costs | $ 7,027 | $ 7,027 | $ 7,027 | $ 7,027 | $ 7,027 | $ 7,027 | $ 42,159 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 42,159 |
| Total Allocated Costs | $ 53,778 | $ 74,650 | $ 69,953 | $ 58,124 | $ 47,581 | $ 24,987 | $ 329,073 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 329,073 |
| Actual/Forecast GAF Revenues | $ (33,070) | $ (59,719) | $ (84,300) | $ (67,481) | $ (58,240) | $ (26,825) | $ (329,635) | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ (329,635) |
| Subtotal: (Over)/Under Collection | $ 4,757 | $ 19,656 | $ 5,381 | $ (3,900) | $ (14,554) | $ (16,449) | $ (16,512) | $ (16,550) | $ (16,659) | $ (16,770) | $ (16,886) | $ (17,002) | $ (17,119) | $ (16,550) | $ (16,512) |
| | | | | | | | | | | | | | | | |
| Average Monthly Balance (Over)/Under Collectio | $ (5,597) | $ 12,190 | $ 12,555 | $ 778 | $ (9,225) | $ (15,531) | | $ (16,550) | $ (16,659) | $ (16,770) | $ (16,886) | $ (17,002) | $ (17,119) | | |
| Interest Rate (Prime Rate) | 7.00% | 7.15% | 7.26% | 7.50% | 7.53% | 7.75% | | 7.93% | 8.02% | 8.25% | 8.25% | 8.25% | 8.25% | | |
| Monthly Interest on (Over)/Under Collection | $ (33) | $ 73 | $ 76 | $ 5 | $ (58) | $ (100) | $ (37) | $ (109) | $ (111) | $ (115) | $ (116) | $ (117) | $ (118) | $ (687) | $ (724) |
| Total: (Over)/Under Collection | $ 4,725 | $ 19,728 | $ 5,457 | $ (3,895) | $ (14,612) | $ (16,550) | $ (16,550) | $ (16,659) | $ (16,770) | $ (16,886) | $ (17,002) | $ (17,119) | $ (17,236) | $ (17,236) | $ (17,236) |
| | | | | | | | | | | | | | | | |
| **Off-Peak Period Reconciliation: Nov '05 through Oct '06** | | | | | | | | | | | | | | | |
| Beginning Balance: (Over)/Under Collection | $ 7,553 | $ 7,597 | $ 7,643 | $ 7,689 | $ 7,737 | $ 7,785 | $ 7,553 | $ 7,836 | $ 2,190 | $ (4,506) | $ (8,260) | $ (8,202) | $ (8,703) | $ 7,836 | $ 7,553 |
| Allowable CGAC Costs | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 17,204 | $ 13,218 | $ 12,207 | $ 12,434 | $ 12,947 | $ 21,297 | $ 89,308 | $ 89,308 |
| Less: Actual/Forecast Demand Costs | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 3,398 | $ 5,603 | $ 6,309 | $ 4,595 | $ 3,790 | $ 3,977 | $ 27,672 | $ 27,672 |
| Add: Allocated Demand Costs | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 941 | $ 941 | $ 941 | $ 941 | $ 941 | $ 941 | $ 5,647 | $ 5,647 |
| Total Allocated Costs | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 14,748 | $ 8,557 | $ 6,839 | $ 8,780 | $ 10,098 | $ 18,261 | $ 67,283 | $ 67,283 |
| Actual/Forecast GAF Revenues | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ (20,427) | $ (15,245) | $ (10,549) | $ (8,665) | $ (10,542) | $ (16,705) | $ (82,133) | $ (82,133) |
| Subtotal: (Over)/Under Collection | $ 7,553 | $ 7,597 | $ 7,643 | $ 7,689 | $ 7,737 | $ 7,785 | $ 7,553 | $ 2,157 | $ (4,498) | $ (8,217) | $ (8,145) | $ (8,646) | $ (7,147) | $ (7,014) | $ (7,297) |
| | | | | | | | | | | | | | | | |
| Average Monthly Balance (Over)/Under Collectio | $ 7,553 | $ 7,597 | $ 7,643 | $ 7,689 | $ 7,737 | $ 7,785 | | $ 4,996 | $ (1,154) | $ (6,361) | $ (8,203) | $ (8,424) | $ (7,925) | | |
| Interest Rate (Prime Rate) | 7.00% | 7.15% | 7.26% | 7.50% | 7.53% | 7.75% | | 7.93% | 8.02% | 8.25% | 8.25% | 8.25% | 8.25% | | |
| Monthly Interest on (Over)/Under Collection | $ 44 | $ 45 | $ 46 | $ 48 | $ 49 | $ 50 | $ 282 | $ 33 | $ (8) | $ (44) | $ (56) | $ (58) | $ (54) | $ (187) | $ 95 |
| Total: (Over)/Under Collection | $ 7,597 | $ 7,643 | $ 7,689 | $ 7,737 | $ 7,785 | $ 7,836 | $ 7,836 | $ 2,190 | $ (4,506) | $ (8,260) | $ (8,202) | $ (8,703) | $ (7,202) | $ (7,202) | $ (7,202) |
| | | | | | | | | | | | | | | | |
| **Demand Cost Reallocation Reconciliation: Nov '05 through Oct '06** | | | | | | | | | | | | | | | |
| Beginning Balance: (Over)/Under Collection | $ - | $ (2,727) | $ (5,277) | $ (7,983) | $ (11,446) | $ (14,067) | $ - | $ (17,001) | $ (14,649) | $ (10,069) | $ (4,752) | $ (1,119) | $ 1,733 | $ (17,001) | $ - |
| Actual/Forecast Demand Costs | $ 4,307 | $ 4,500 | $ 4,361 | $ 3,624 | $ 4,485 | $ 4,192 | $ 25,470 | $ 3,398 | $ 5,603 | $ 6,309 | $ 4,595 | $ 3,790 | $ 3,977 | $ 27,672 | $ 53,142 |
| Less Allocated Demand Costs | $ 7,027 | $ 7,027 | $ 7,027 | $ 7,027 | $ 7,027 | $ 7,027 | $ 42,159 | $ 941 | $ 941 | $ 941 | $ 941 | $ 941 | $ 941 | $ 5,647 | $ 47,807 |
| Subtotal: (Over)/Under Collection | $ (2,719) | $ (5,253) | $ (7,943) | $ (11,385) | $ (13,987) | $ (16,901) | $ (16,689) | $ (14,544) | $ (9,987) | $ (4,701) | $ (1,099) | $ 1,731 | $ 4,768 | $ 5,024 | $ 5,336 |
| | | | | | | | | | | | | | | | |
| Average Monthly Balance (Over)/Under Collectio | $ (1,360) | $ (3,990) | $ (6,610) | $ (9,684) | $ (12,716) | $ (15,484) | | $ (15,773) | $ (12,318) | $ (7,385) | $ (2,925) | $ 306 | $ 3,250 | | |
| Interest Rate (Prime Rate) | 7.00% | 7.15% | 7.26% | 7.50% | 7.53% | 7.75% | | 7.93% | 8.02% | 8.25% | 8.25% | 8.25% | 8.25% | | |
| Monthly Interest on (Over)/Under Collection | $ (8) | $ (24) | $ (40) | $ (61) | $ (80) | $ (100) | $ (312) | $ (104) | $ (82) | $ (51) | $ (20) | $ 2 | $ 22 | $ (233) | $ (545) |
| Total: (Over)/Under Collection | $ (2,727) | $ (5,277) | $ (7,983) | $ (11,446) | $ (14,067) | $ (17,001) | $ (17,001) | $ (14,649) | $ (10,069) | $ (4,752) | $ (1,119) | $ 1,733 | $ 4,791 | $ 4,791 | $ 4,791 |

# NSTAR Gas Company
## SEASONAL COST OF GAS ADJUSTMENT CALCULATIONS
### Schedule I - Gas Suppliers' Refunds and Accrued Interest

**(Existing Pgm. - Principal)**

| Source of Refund | Date Received | | Principal Amount |
|---|---|---|---|
| (Over)/Under from Prior Program | | $ | (1,535) |
| Texas Eastern | 03/25/05 | $ | 323,537 |
| Texas Eastern | 03/28/05 | $ | 400 |
| Tennessee Gas Pipeline | 06/21/05 | $ | 313,632 |
| Baker & McKenzie, LLP | 03/06/06 | | 2,210 |
| Total | | $ | 638,244 |

**(Existing Pgm. - Interest)**

| Pre-Startup Period | | Interest Accrued |
|---|---|---|
| January-05 | $ | (7) |
| February-05 | | (7) |
| March-05 | | 746 |
| April-05 | | 1,545 |
| May-05 | | 1,607 |
| June-05 | | 2,400 |
| July-05 | | 3,312 |
| August-05 | | 3,413 |
| September-05 | | 3,492 |
| October-05 | | 3,577 |
| Total | $ | 20,078 |

| Post-Startup Period | | Interest Accrued |
|---|---|---|
| November-05 | $ | 3,649 |
| December-05 | $ | 3,463 |
| January-06 | $ | 3,009 |
| February-06 | $ | 2,631 |
| March-06 | $ | 2,118 |
| April-06 | $ | 1,657 |
| May-06 | $ | 1,429 |
| June-06 | $ | 1,272 |
| July-06 | $ | 1,193 |
| August-06 | $ | 1,103 |
| September-06 | $ | 1,004 |
| October-06 | $ | 859 |
| Total | $ | 23,386 |

**D.T.E. 06-GAF-P8**

WORKPAPERS

Schedules A & B

**NSTAR Gas Company**
**Cost of Gas Adjustment -- November 2006**
**2006 / 2007 Gas Year**
**Cost ($000)**
**SENDOUT Scenario 1861**

**D.T.E. 06-GAF-P8**

| | Nov-06 | Dec-06 | Jan-07 | Feb-07 | Mar-07 | Apr-07 | 6-month | May-07 | Jun-07 | Jul-07 | Aug-07 | Sep-07 | Oct-07 | 6-month | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Supply Variable Costs** | | | | | | | | | | | | | | | |
| Supply Variable Cost | $30,726 | $42,724 | $35,741 | $32,897 | $39,117 | $36,224 | $217,429 | $35,873 | $31,303 | $29,693 | $29,965 | $27,588 | $24,413 | $178,836 | $396,265 |
| Storage Variable Cost | $555 | $530 | $641 | $335 | $93 | $117 | $2,271 | $264 | $376 | $488 | $599 | $675 | $650 | $3,052 | $5,323 |
| Transportation Variable Cost | $391 | $521 | $474 | $418 | $462 | $451 | $2,716 | $417 | $354 | $333 | $333 | $310 | $327 | $2,075 | $4,791 |
| **Total Variable Costs** | **$31,672** | **$43,775** | **$36,856** | **$33,649** | **$39,671** | **$36,792** | **$222,416** | **$36,554** | **$32,033** | **$30,514** | **$30,897** | **$28,573** | **$25,391** | **$183,962** | $406,378 |
| | | | | | | | | | | | | | | | |
| **Storage Inventory Adjustment** | | | | | | | | | | | | | | | |
| Hopkington Injected Value | $0 | $0 | $0 | $0 | $0 | $262 | $262 | $4,661 | $5,018 | $5,210 | $5,228 | $2,779 | $30 | $22,925 | $23,187 |
| Acushnet Injected Value | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Storage Injected Value | $0 | $0 | $0 | $0 | $0 | $8,144 | $8,144 | $13,644 | $13,969 | $13,771 | $13,932 | $13,334 | $2,679 | $71,329 | $79,473 |
| **Total Injected Value** | **$0** | **$0** | **$0** | **$0** | **$0** | **$8,406** | **$8,406** | **$18,305** | **$18,987** | **$18,981** | **$19,159** | **$16,113** | **$2,709** | **$94,254** | **$102,660** |
| Hopkington Vapor / Boiloff Value | $0 | $863 | $13,953 | $7,174 | $759 | $0 | $22,748 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $22,748 |
| Acushnet Vapor / Boiloff Value | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Storage Withdrawal Value | $861 | $11,631 | $22,632 | $18,715 | $11,294 | $315 | $65,447 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $65,447 |
| **Total Withdrawal Value** | **$861** | **$12,493** | **$36,585** | **$25,889** | **$12,053** | **$315** | **$88,195** | **$0** | **$0** | **$0** | **$0** | **$0** | **$0** | **$0** | **$88,195** |
| **Net Withdrawal Value** | **($861)** | **($12,493)** | **($36,585)** | **($25,889)** | **($12,053)** | **$8,092** | **($79,789)** | **$18,305** | **$18,987** | **$18,981** | **$19,159** | **$16,113** | **$2,709** | **$94,254** | **$14,465** |
| | | | | | | | | | | | | | | | |
| **Total Adjusted Variable Costs** | **$32,532** | **$56,269** | **$73,441** | **$59,538** | **$51,725** | **$28,701** | **$302,205** | **$18,249** | **$13,047** | **$11,533** | **$11,738** | **$12,460** | **$22,682** | **$89,708** | **$391,913** |
| | | | | | | | | | | | | | | | |
| **Total Served Demand (Bbtu)** | **3,300.79** | **5,202.98** | **7,200.40** | **5,749.90** | **4,712.01** | **2,947.10** | **29,113.18** | **1,758.25** | **1,178.32** | **999.17** | **999.17** | **1,110.97** | **2,203.59** | **8,249.47** | **37,362.65** |
| | | | | | | | | | | | | | | | |
| **Variable WACOG** | **$9.86** | **$10.81** | **$10.20** | **$10.35** | **$10.98** | **$9.74** | **$10.38** | **$10.38** | **$11.07** | **$11.54** | **$11.75** | **$11.22** | **$10.29** | **$10.87** | **$10.49** |
| | | | | | | | | | | | | | | | |
| **Fixed Costs** | | | | | | | | | | | | | | | |
| Supply Fixed Cost | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Storage Fixed Cost | $527 | $529 | $529 | $529 | $529 | $529 | $3,170 | $529 | $529 | $529 | $529 | $529 | $529 | $3,172 | $6,342 |
| Transportation Fixed Cost | $3,661 | $3,761 | $3,761 | $3,761 | $3,761 | $3,697 | $22,401 | $3,598 | $3,398 | $3,398 | $3,398 | $3,398 | $3,598 | $20,789 | $43,190 |
| **Total Fixed Costs** | **$4,188** | **$4,289** | **$4,289** | **$4,289** | **$4,289** | **$4,226** | **$25,571** | **$4,126** | **$3,927** | **$3,927** | **$3,927** | **$3,927** | **$4,126** | **$23,961** | **$49,533** |
| | | | | | | | | | | | | | | | |
| **Total Cost** | **$36,720** | **$60,558** | **$77,731** | **$63,827** | **$56,014** | **$32,927** | **$327,777** | **$22,376** | **$16,974** | **$15,460** | **$15,665** | **$16,387** | **$26,808** | **$113,669** | **$441,446** |
| | | | | | | | | | | | | | | | |
| **Total Cost per Unit** | **$11.12** | **$11.64** | **$10.80** | **$11.10** | **$11.89** | **$11.17** | **$11.26** | **$12.73** | **$14.41** | **$15.47** | **$15.68** | **$14.75** | **$12.17** | **$13.78** | **$11.82** |
| | | | | | | | | | | | | | | | |
| **LNG Fixed Costs:** | | | | | | | | | | | | | | | |
| Operation Charge | $ 661 | $ 661 | $ 661 | $ 661 | $ 661 | $ 661 | $ 3,966 | $ 661 | $ 661 | $ 661 | $ 661 | $ 661 | $ 661 | $ 3,966 | $7,932 |
| Vaporization Charge | $ 5 | $ 5 | $ 5 | $ 5 | $ 5 | $ 5 | $ 30 | $ 5 | $ 5 | $ 5 | $ 5 | $ 5 | $ 5 | $ 30 | $60 |
| Demand Charge Reallocation | $ 170 | $ 170 | $ 170 | $ 170 | $ 170 | $ 170 | $ 1,019 | $ 170 | $ 170 | $ 170 | $ 170 | $ 170 | $ 170 | $ 1,019 | $ 2,038 |
| **Total CGAC Allowable** | $ 836 | $ 836 | $ 836 | $ 836 | $ 836 | $ 836 | $ 5,015 | $ 836 | $ 836 | $ 836 | $ 836 | $ 836 | $ 836 | $ 5,015 | $10,030 |
| Administrative | $ 54 | $ 54 | $ 54 | $ 54 | $ 54 | $ 54 | $ 326 | $ 54 | $ 54 | $ 54 | $ 54 | $ 54 | $ 54 | $ 326 | $652 |
| Demand Charge | $ 221 | $ 221 | $ 221 | $ 221 | $ 221 | $ 221 | $ 1,327 | $ 221 | $ 221 | $ 221 | $ 221 | $ 221 | $ 221 | $ 1,327 | $2,653 |
| Real Estate Tax | $ 50 | $ 50 | $ 50 | $ 50 | $ 50 | $ 50 | $ 301 | $ 50 | $ 50 | $ 50 | $ 50 | $ 50 | $ 50 | $ 301 | $602 |
| Rent | $ 25 | $ 25 | $ 25 | $ 25 | $ 25 | $ 25 | $ 150 | $ 25 | $ 25 | $ 25 | $ 25 | $ 25 | $ 25 | $ 150 | $301 |
| Demand Charge Reallocation | $ (170) | $ (170) | $ (170) | $ (170) | $ (170) | $ (170) | $ (1,019) | $ (170) | $ (170) | $ (170) | $ (170) | $ (170) | $ (170) | $ (1,019) | ($2,038) |
| **Total Non-CGAC Allowable** | $ 181 | $ 181 | $ 181 | $ 181 | $ 181 | $ 181 | $ 1,085 | $ 181 | $ 181 | $ 181 | $ 181 | $ 181 | $ 181 | $ 1,085 | $2,171 |
| | | | | | | | | | | | | | | | |
| **Total LNG Fixed Cost** | **$ 1,017** | **$ 1,017** | **$ 1,017** | **$ 1,017** | **$ 1,017** | **$ 1,017** | **$ 6,100** | **$ 1,017** | **$ 1,017** | **$ 1,017** | **$ 1,017** | **$ 1,017** | **$ 1,017** | **$ 6,100** | **$ 12,201** |
| | | | | | | | | | | | | | | | |
| **Grand Total Cost** | **$ 37,737** | **$ 61,575** | **$ 78,747** | **$ 64,844** | **$ 57,031** | **$ 33,943** | **$ 333,877** | **$ 23,392** | **$ 17,991** | **$ 16,476** | **$ 16,682** | **$ 17,403** | **$ 27,825** | **$ 119,770** | **$ 453,646** |
| | | | | | | | | | | | | | | | |
| Grand Total Cost / Unit | $11.43 | $11.83 | $10.94 | $11.28 | $12.10 | $11.52 | $11.47 | $13.30 | $15.27 | $16.49 | $16.70 | $15.67 | $12.63 | $14.52 | $12.14 |

**NSTAR Gas Company**
**End User Transportation (EUT) Demand Charge and Inventory Transfer Forecast**
**November 2006 - October 2007**
**$ in 000s**

| Line # | | Nov-06 | Dec-06 | Jan-07 | Feb-07 | Mar-07 | Apr-07 | Peak Period | May-07 | Jun-07 | Jul-07 | Aug-07 | Sep-07 | Oct-07 | Off-Peak Period | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | **Demand Charge Estimate - EUT (to Schedule B)** | | | | | | | | | | | | | | | |
| 2 | **AGT** | | | | | | | | | | | | | | | |
| 3 | **Pipeline** | $ 128 | $ 128 | $ 128 | $ 128 | $ 128 | $ 128 | $ 768 | $ 128 | $ 128 | $ 128 | $ 128 | $ 128 | $ 128 | $ 768 | $ 1,536 |
| 4 | **Storage** | 60 | 60 | 60 | 60 | 60 | 60 | 358 | 60 | 60 | 60 | 60 | 60 | 60 | 358 | 716 |
| 5 | **LNG** | 83 | 83 | 83 | 83 | 83 | 83 | 495 | - | - | - | - | - | - | - | 495 |
| 6 | **Total AGT** | $ 270 | $ 270 | $ 270 | $ 270 | $ 270 | $ 270 | $ 1,621 | $ 188 | $ 188 | $ 188 | $ 188 | $ 188 | $ 188 | $ 1,126 | $ 2,747 |
| 7 | | | | | | | | | | | | | | | | |
| 8 | **TGP** | | | | | | | | | | | | | | | |
| 9 | **Pipeline** | $ 70 | $ 70 | $ 70 | $ 70 | $ 70 | $ 70 | $ 422 | $ 70 | $ 70 | $ 70 | $ 70 | $ 70 | $ 70 | $ 422 | $ 845 |
| 10 | **Storage** | 31 | 31 | 31 | 31 | 31 | 31 | 187 | 31 | 31 | 31 | 31 | 31 | 31 | 187 | 373 |
| 11 | **LNG** | 60 | 60 | 60 | 60 | 60 | 60 | 358 | - | - | - | - | - | - | - | 358 |
| 12 | **Total TGP** | $ 161 | $ 161 | $ 161 | $ 161 | $ 161 | $ 161 | $ 967 | $ 101 | $ 101 | $ 101 | $ 101 | $ 101 | $ 101 | $ 609 | $ 1,576 |
| 13 | | | | | | | | | | | | | | | | |
| 14 | **TOTAL** | | | | | | | | | | | | | | | |
| 15 | **Pipeline** | $ 198 | $ 198 | $ 198 | $ 198 | $ 198 | $ 198 | $ 1,190 | $ 198 | $ 198 | $ 198 | $ 198 | $ 198 | $ 198 | $ 1,190 | $ 2,381 |
| 16 | **Storage** | 91 | 91 | 91 | 91 | 91 | 91 | 545 | 91 | 91 | 91 | 91 | 91 | 91 | 545 | 1,089 |
| 17 | **LNG** | 142 | 142 | 142 | 142 | 142 | 142 | 854 | - | - | - | - | - | - | - | 854 |
| 18 | **Total** | $ 431 | $ 431 | $ 431 | $ 431 | $ 431 | $ 431 | $ 2,589 | $ 289 | $ 289 | $ 289 | $ 289 | $ 289 | $ 289 | $ 1,735 | $ 4,323 |
| 19 | | | | | | | | | | | | | | | | |
| 20 | | | | | | | | | | | | | | | | |
| 21 | **Inventory Transfer Estimate - EUT (to Schedule A)** | | | | | | | | | | | | | | | |
| 22 | **AGT** | | | | | | | | | | | | | | | |
| 23 | **Storage** | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| 24 | **LNG** | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 25 | **Total AGT** | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| 26 | | | | | | | | | | | | | | | | |
| 27 | **TGP** | | | | | | | | | | | | | | | |
| 28 | **Storage** | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| 29 | **LNG** | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 30 | **Total TGP** | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| 31 | | | | | | | | | | | | | | | | |
| 32 | **TOTAL** | | | | | | | | | | | | | | | |
| 33 | **Storage** | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| 34 | **LNG** | $ - | $ - | $ - | $ - | $ - | $ - | - | $ - | $ - | $ - | $ - | $ - | $ - | - | - |
| 35 | **Total** | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |

**D.T.E. 06-GAF-P8**

WORKPAPERS

Schedule D

**D.T.E. 06-GAF-P8**

**NSTAR Gas Company**
**Cost of Gas Adjustment -- November 2006**
**2006 / 2007 Gas Year**
**Units (Bbtu)**
**SENDOUT Scenario 1861**

| | Nov-06 | Dec-06 | Jan-07 | Feb-07 | Mar-07 | Apr-07 | 6-month | May-07 | Jun-07 | Jul-07 | Aug-07 | Sep-07 | Oct-07 | 6-month | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Pipeline Supplies** | | | | | | | | | | | | | | | |
| TGP | 1,351.57 | 1,454.12 | 1,454.12 | 1,313.40 | 1,451.75 | 1,407.21 | 8,432.17 | 1,454.12 | 1,407.21 | 1,454.12 | 1,454.12 | 1,407.21 | 1,454.12 | 8,630.90 | 17,063.07 |
| AGT / TETCO | 1,725.74 | 2,195.22 | 1,333.35 | 1,250.83 | 1,690.01 | 2,315.92 | 10,511.07 | 2,290.15 | 1,775.28 | 1,482.47 | 1,482.47 | 1,236.72 | 779.09 | 9,046.18 | 19,557.25 |
| IROQUOIS | 115.23 | 119.07 | 119.07 | 107.54 | 119.07 | 114.96 | 694.94 | 118.79 | 114.96 | 118.79 | 118.79 | 114.96 | 118.79 | 705.08 | 1,400.02 |
| NIAGARA | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| NE Other | 315.47 | 325.99 | 325.99 | 294.44 | 325.99 | 315.47 | 1,903.35 | 325.99 | 315.47 | 325.99 | 325.99 | 315.47 | 325.99 | 1,934.90 | 3,838.25 |
| **Total Supply Take** | **3,508.01** | **4,094.40** | **3,232.53** | **2,966.21** | **3,586.82** | **4,153.56** | **21,541.53** | **4,189.05** | **3,612.92** | **3,381.37** | **3,381.37** | **3,074.36** | **2,677.99** | **20,317.06** | **41,858.59** |
| **Storage Injections** | | | | | | | | | | | | | | | |
| AGT_STORAGE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 708.08 | 708.08 | 926.76 | 865.44 | 877.78 | 871.03 | 840.25 | 195.31 | 4,576.57 | 5,284.65 |
| TGP_STORAGE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 136.26 | 136.26 | 536.25 | 622.28 | 570.06 | 580.88 | 534.45 | 76.09 | 2,920.01 | 3,056.27 |
| HOPKINTON | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 27.82 | 27.82 | 504.09 | 536.99 | 551.42 | 548.28 | 288.50 | 3.10 | 2,432.38 | 2,460.20 |
| ACUSHNET | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| NE Other | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| **Total Storage Injections** | **0.00** | **0.00** | **0.00** | **0.00** | **0.00** | **872.16** | **872.16** | **1,967.10** | **2,024.71** | **1,999.26** | **2,000.19** | **1,663.20** | **274.50** | **9,928.96** | **10,801.12** |
| **Fuel Consumed** | | | | | | | | | | | | | | | |
| Transportation Fuel Loss | 317.45 | 473.43 | 386.10 | 351.06 | 405.91 | 348.82 | 2,282.77 | 340.74 | 280.75 | 252.11 | 251.97 | 220.92 | 194.54 | 1,541.03 | 3,823.80 |
| Storage Injected Fuel Loss | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 21.32 | 21.32 | 122.96 | 129.14 | 130.83 | 130.04 | 79.27 | 5.36 | 597.60 | 618.92 |
| **Total Fuel Loss** | **317.45** | **473.43** | **386.10** | **351.06** | **405.91** | **370.14** | **2,304.09** | **463.70** | **409.89** | **382.94** | **382.01** | **300.19** | **199.90** | **2,138.63** | **4,442.72** |
| **Net Pipleine Supply Delivered** | **3,190.56** | **3,620.97** | **2,846.43** | **2,615.15** | **3,180.91** | **2,911.26** | **18,365.28** | **1,758.25** | **1,178.32** | **999.17** | **999.17** | **1,110.97** | **2,203.59** | **8,249.47** | **26,614.75** |
| **Storage Withdrawals** | | | | | | | | | | | | | | | |
| AGT_STORAGE | 38.70 | 711.87 | 2,069.75 | 1,676.25 | 843.31 | 11.24 | 5,351.12 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 5,351.12 |
| TGP_STORAGE | 72.55 | 791.24 | 826.72 | 722.55 | 618.36 | 24.87 | 3,056.29 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 3,056.29 |
| HOPKINTON | 0.00 | 93.30 | 1,508.98 | 775.83 | 82.03 | 0.00 | 2,460.14 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 2,460.14 |
| ACUSHNET | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| NE Other | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| **Total Withdrawals** | **111.25** | **1,596.41** | **4,405.45** | **3,174.63** | **1,543.70** | **36.11** | **10,867.55** | **0.00** | **0.00** | **0.00** | **0.00** | **0.00** | **0.00** | **0.00** | **10,867.55** |
| **Withdrawal Fuel Loss** | **1.02** | **14.40** | **51.48** | **39.88** | **12.60** | **0.27** | **119.65** | **0.00** | **0.00** | **0.00** | **0.00** | **0.00** | **0.00** | **0.00** | **119.65** |
| **Total Storage & LNG to Sendout** | **110.23** | **1,582.01** | **4,353.97** | **3,134.75** | **1,531.10** | **35.84** | **10,747.90** | **0.00** | **0.00** | **0.00** | **0.00** | **0.00** | **0.00** | **0.00** | **10,747.90** |
| **Total Served Demand** | **3,300.79** | **5,202.98** | **7,200.40** | **5,749.90** | **4,712.01** | **2,947.10** | **29,113.18** | **1,758.25** | **1,178.32** | **999.17** | **999.17** | **1,110.97** | **2,203.59** | **8,249.47** | **37,362.65** |
| Line Loss | 97.28 | 150.68 | 248.57 | 186.31 | 165.57 | 91.61 | 940.02 | 53.19 | 36.07 | 26.69 | 25.51 | 30.92 | 55.64 | 228.02 | 1,168.04 |
| Company Use | 8.43 | 13.68 | 17.98 | 14.30 | 11.53 | 7.06 | 72.98 | 4.02 | 2.56 | 2.13 | 2.05 | 2.39 | 5.20 | 18.35 | 91.32 |
| **Total Sales** | **3,195.08** | **5,038.62** | **6,933.85** | **5,549.29** | **4,534.92** | **2,848.44** | **28,100.19** | **1,701.04** | **1,139.69** | **970.35** | **971.61** | **1,077.66** | **2,142.76** | **8,003.10** | **36,103.29** |

**D.T.E. 06-GAF-P8**

WORKPAPERS

Schedule F

**NSTAR Gas Company**
**Cost of Gas Adjustment -- November 2006**
**2006 / 2007 Gas Year**
**Interruptible Sales**
**(Bbtu, $1,000)**

**D.T.E. 06-GAF-P8**

| | Nov-06 | Dec-06 | Jan-07 | Feb-07 | Mar-07 | Apr-07 | 6-month | May-07 | Jun-07 | Jul-07 | Aug-07 | Sep-07 | Oct-07 | 6-month | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Cambridge** | | | | | | | | | | | | | | | |
| Interruptible Demand | 0.900 | 0.400 | 0.050 | 0.060 | 0.000 | 0.000 | 1.410 | 0.000 | 0.160 | 0.600 | 0.500 | 0.000 | 0.000 | 1.260 | 2.670 |
| Interruptible Revenue | $ 9.320 | $ 4.526 | $ 0.535 | $ 0.651 | $ - | $ - | $ 15.032 | $ - | $ 1.852 | $ 7.225 | $ 6.124 | $ - | $ - | $ 15.201 | $30.23 |
| Marginal Cost Per Unit | $ 9.856 | $ 10.815 | $ 10.200 | $ 10.355 | $ 10.977 | $ 9.739 | $ 61.941 | $ 10.379 | $ 11.072 | $ 11.542 | $ 11.748 | $ 11.215 | $ 10.293 | $ 66.250 | $128.19 |
| Cost Of Served Demand | $ 8.870 | $ 4.326 | $ 0.510 | $ 0.621 | $ - | $ - | $ 14.327 | $ - | $ 1.772 | $ 6.925 | $ 5.874 | $ - | $ - | $ 14.571 | $28.90 |
| Net margin | $ 0.450 | $ 0.200 | $ 0.025 | $ 0.030 | $ - | $ - | $ 0.705 | $ - | $ 0.080 | $ 0.300 | $ 0.250 | $ - | $ - | $ 0.630 | $1.34 |
| **Framingham** | | | | | | | | | | | | | | | |
| Interruptible Demand | 0.000 | 0.001 | 0.000 | 0.001 | 0.001 | 0.001 | 0.004 | 0.001 | 0.000 | 0.001 | 0.001 | 0.001 | 0.001 | 0.005 | 0.009 |
| Interruptible Revenue | $ - | $ 0.011 | $ - | $ 0.011 | $ 0.011 | $ 0.010 | $ 0.044 | $ 0.011 | $ - | $ 0.012 | $ 0.012 | $ 0.012 | $ 0.011 | $ 0.058 | $0.10 |
| Marginal Cost Per Unit | $ 9.856 | $ 10.815 | $ 10.200 | $ 10.355 | $ 10.977 | $ 9.739 | $ 61.941 | $ 10.379 | $ 11.072 | $ 11.542 | $ 11.748 | $ 11.215 | $ 10.293 | $ 66.250 | $128.19 |
| Cost Of Served Demand | $ - | $ 0.011 | $ - | $ 0.010 | $ 0.011 | $ 0.010 | $ 0.042 | $ 0.010 | $ - | $ 0.012 | $ 0.012 | $ 0.011 | $ 0.010 | $ 0.055 | $0.10 |
| Net margin | $ - | $ 0.001 | $ - | $ 0.001 | $ 0.001 | $ 0.001 | $ 0.002 | $ 0.001 | $ - | $ 0.001 | $ 0.001 | $ 0.001 | $ 0.001 | $ 0.003 | $0.00 |
| **New Bedford** | | | | | | | | | | | | | | | |
| Interruptible Demand | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Interruptible Revenue | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $0.00 |
| Marginal Cost Per Unit | $ 9.856 | $ 10.815 | $ 10.200 | $ 10.355 | $ 10.977 | $ 9.739 | $ 61.941 | $ 10.379 | $ 11.072 | $ 11.542 | $ 11.748 | $ 11.215 | $ 10.293 | $ 66.250 | $128.19 |
| Cost Of Served Demand | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $0.00 |
| Net margin | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $0.00 |
| **Worcester** | | | | | | | | | | | | | | | |
| Interruptible Demand | 0.000 | 0.010 | 0.150 | 0.002 | 0.005 | 2.000 | 2.167 | 3.000 | 0.007 | 2.100 | 2.500 | 1.300 | 0.400 | 9.307 | 11.474 |
| Interruptible Revenue | $ - | $ 0.113 | $ 1.605 | $ 0.022 | $ 0.057 | $ 20.477 | $ 22.274 | $ 32.638 | $ 0.081 | $ 25.288 | $ 30.620 | $ 15.230 | $ 4.317 | $ 108.174 | $130.45 |
| Marginal Cost Per Unit | $ 9.856 | $ 10.815 | $ 10.200 | $ 10.355 | $ 10.977 | $ 9.739 | $ 61.941 | $ 10.379 | $ 11.072 | $ 11.542 | $ 11.748 | $ 11.215 | $ 10.293 | $ 66.250 | $128.19 |
| Cost Of Served Demand | $ - | $ 0.108 | $ 1.530 | $ 0.021 | $ 0.055 | $ 19.477 | $ 21.191 | $ 31.138 | $ 0.078 | $ 24.238 | $ 29.370 | $ 14.580 | $ 4.117 | $ 103.520 | $124.71 |
| Net margin | $ - | $ 0.005 | $ 0.075 | $ 0.001 | $ 0.003 | $ 1.000 | $ 1.084 | $ 1.500 | $ 0.004 | $ 1.050 | $ 1.250 | $ 0.650 | $ 0.200 | $ 4.654 | $5.74 |
| **Company Total** | | | | | | | | | | | | | | | |
| Interruptible Demand | 0.900 | 0.411 | 0.200 | 0.063 | 0.006 | 2.001 | 3.581 | 3.001 | 0.167 | 2.701 | 3.001 | 1.301 | 0.401 | 10.572 | 14.153 |
| Interruptible Revenue | $ 9.320 | $ 4.650 | $ 2.140 | $ 0.684 | $ 0.069 | $ 20.487 | $ 37.351 | $ 32.648 | $ 1.933 | $ 32.526 | $ 36.756 | $ 15.241 | $ 4.328 | $ 123.432 | $160.78 |
| Cost Of Served Demand | $ 8.870 | $ 4.445 | $ 2.040 | $ 0.652 | $ 0.066 | $ 19.487 | $ 35.560 | $ 31.148 | $ 1.849 | $ 31.175 | $ 35.256 | $ 14.591 | $ 4.127 | $ 118.146 | $153.71 |
| Net margin | $ 0.450 | $ 0.206 | $ 0.100 | $ 0.032 | $ 0.003 | $ 1.001 | $ 1.791 | $ 1.501 | $ 0.084 | $ 1.351 | $ 1.501 | $ 0.651 | $ 0.201 | $ 5.286 | $7.08 |

**NSTAR Gas Company**
**Cost of Gas Adjustment -- November 2006**
**2006 / 2007 Gas Year**
**Portfolio Outsourcing Revenue**
**Units ($000)**

**D.T.E. 06-GAF-P8**

| | Nov-06 | Dec-06 | Jan-07 | Feb-07 | Mar-07 | Apr-07 | 6-month | May-07 | Jun-07 | Jul-07 | Aug-07 | Sep-07 | Oct-07 | 6-month | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Portfolio Outsourcing Revenue** | | | | | | | | | | | | | | | |
| Portfolio Outsourcing Volumes (not applicable) | | | | | | | | | | | | | | | |
| **Portfolio Outsorcing Revenue** | $ (892) | $ (922) | $ (922) | $ (832) | $ (922) | $ (892) | $ (5,380) | $ (922) | $ (892) | $ (922) | $ (922) | $ (892) | $ (922) | $ (5,470) | $ (10,850) |

**D.T.E. 06-GAF-P8**

WORKPAPERS

Schedule H

NSTAR GAS COMPANY
2005-2006ANNUAL RECONCILIATION
12 NONTH PERIOD ENDED OCTOBER 31, 2006
10 Months Actual - 2 Months Forecast
DEFERRED GAS COST CALCULATIONS
SCHEDULE 4 - PAGE 1

| | November | December | January | February | March | April | Subtotal | May | June | July | August | September | October | Subtotal | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Overall Gas Reconciliation Adj. - CGAC** | | | | | | | | | | | | | | | |
| Accts. 175.1 + 175.2 + 175.15 Beg. Balanc | (8,397,675) | 9,594,863 | 22,093,943 | 5,162,880 | (7,604,386) | (20,893,603) | (8,397,675) | (25,715,185) | (29,118,110) | (31,345,932) | (29,898,216) | (26,322,192) | (24,089,538) | (25,715,185) | (8,397,675) |
| Plus: Cost of 175.1 + 175.2 Allowable | 51,058,984 | 72,123,856 | 67,286,835 | 54,721,562 | 45,039,918 | 22,153,030 | 312,384,185 | 17,204,253 | 13,218,462 | 12,207,018 | 12,433,654 | 12,947,403 | 21,297,041 | 89,307,831 | 401,692,016 |
| Less: CGAC Gas Revenues | (33,069,927) | (59,718,903) | (84,300,101) | (67,481,220) | (58,240,003) | (26,824,589) | (329,634,743) | (20,426,596) | (15,244,906) | (10,549,497) | (8,665,033) | (10,542,053) | (16,705,203) | (82,133,288) | (411,768,031) |
| Accts. 175.1 + 175.2 + 175.15 End Balanc | 9,591,382 | 21,999,817 | 5,080,676 | (7,596,779) | (20,804,470) | (25,565,162) | (25,648,233) | (28,937,528) | (31,144,554) | (29,688,411) | (26,129,596) | (23,916,841) | (19,497,699) | (18,540,642) | (18,473,690) |
| Month's Average Balance | 596,853 | 15,797,340 | 13,587,310 | (1,216,950) | (14,204,428) | (23,229,382) | | (27,326,356) | (30,131,332) | (30,517,171) | (28,013,906) | (25,119,516) | (21,793,619) | | |
| Interest Rate (B of A Prime) | 7.00% | 7.15% | 7.26% | 7.50% | 7.53% | 7.75% | | 7.93% | 8.02% | 8.25% | 8.25% | 8.25% | 8.25% | | |
| Interest Applied | 3,482 | 94,126 | 82,203 | (7,607) | (89,133) | (150,023) | (66,952) | (180,582) | (201,378) | (209,806) | (192,596) | (172,697) | (149,831) | (1,106,888) | (1,173,840) |
| Accts. 175.1 + 175.2 + 175.15 Ending bal | 9,594,863 | 22,093,943 | 5,162,880 | (7,604,386) | (20,893,603) | (25,715,185) | (25,715,185) | (29,118,110) | (31,345,932) | (29,898,216) | (26,322,192) | (24,089,538) | (19,647,530) | (19,647,530) | (19,647,530) |
| **ACCOUNT 175.2** | | | | | | | | | | | | | | | |
| **Peak Gas Reconciliation Adj. - CGAC** | | | | | | | | | | | | | | | |
| Acct. 175.2 Beg. Balance | (15,950,944) | 4,724,599 | 19,728,445 | 5,456,984 | (3,895,400) | (14,612,156) | (15,950,944) | (16,549,765) | (16,659,132) | (16,770,470) | (16,885,767) | (17,001,857) | (17,118,745) | (16,549,765) | (15,950,944) |
| Plus: Cost of 175.2 Allowable | 51,058,984 | 72,123,856 | 67,286,835 | 54,721,562 | 45,039,918 | 22,153,030 | 312,384,185 | - | - | - | - | - | - | - | 312,384,185 |
| Less: Actual/Forecast Demand Costs | (4,307,421) | (4,500,297) | (4,360,706) | (3,624,146) | (4,485,342) | (4,192,303) | (25,470,214) | | | | | | | - | (25,470,214) |
| Plus: Schedule B Demand Costs | 7,026,555 | 7,026,555 | 7,026,555 | 7,026,555 | 7,026,555 | 7,026,555 | 42,159,332 | | | | | | | - | 42,159,332 |
| Less: Peak Gas Revenues | (33,069,927) | (59,718,903) | (84,300,101) | (67,481,220) | (58,240,003) | (26,824,589) | (329,634,743) | - | - | - | - | - | - | - | (329,634,743) |
| Prelim. Acct. 175.2 Ending Balance | 4,757,247 | 19,655,811 | 5,381,028 | (3,900,265) | (14,554,270) | (16,449,462) | (16,512,382) | (16,549,765) | (16,659,132) | (16,770,470) | (16,885,767) | (17,001,857) | (17,118,745) | (16,549,765) | (16,512,382) |
| Month's Average Balance | (5,596,848) | 12,190,205 | 12,554,736 | 778,360 | (9,224,835) | (15,530,809) | | (16,549,765) | (16,659,132) | (16,770,470) | (16,885,767) | (17,001,857) | (17,118,745) | | |
| Interest Rate (B of A Prime) | 7.00% | 7.15% | 7.26% | 7.50% | 7.53% | 7.75% | | 7.93% | 8.02% | 8.25% | 8.25% | 8.25% | 8.25% | | |
| Interest Applied | (32,648) | 72,633 | 75,956 | 4,865 | (57,886) | (100,303) | (37,383) | (109,366) | (111,339) | (115,297) | (116,090) | (116,888) | (117,691) | (686,671) | (724,054) |
| Acct. 175.2 Ending Balance ($) | 4,724,599 | 19,728,445 | 5,456,984 | (3,895,400) | (14,612,156) | (16,549,765) | (16,549,765) | (16,659,132) | (16,770,470) | (16,885,767) | (17,001,857) | (17,118,745) | (17,236,436) | (17,236,436) | (17,236,436) |
| **ACCOUNT 175.1** | | | | | | | | | | | | | | | |
| **Off-Peak Gas Reconciliation Adj. - CGAC** | | | | | | | | | | | | | | | |
| Acct. 175.1 Beg. Balance | 7,553,269 | 7,597,329 | 7,642,597 | 7,688,834 | 7,736,890 | 7,785,439 | 7,553,269 | 7,835,720 | 2,189,735 | (4,506,202) | (8,260,336) | (8,201,649) | (8,703,461) | 7,835,720 | 7,553,269 |
| Plus: Cost of 175.1 Allowable | - | - | - | - | - | - | - | 17,204,253 | 13,218,462 | 12,207,018 | 12,433,654 | 12,947,403 | 21,297,041 | 89,307,831 | 89,307,831 |
| Less: Actual/Forecast Demand Costs | - | - | - | - | - | - | - | (3,397,867) | (5,602,988) | (6,309,129) | (4,594,749) | (3,790,459) | (3,976,754) | (27,671,948) | (27,671,948) |
| Plus: Schedule B Demand Costs | - | - | - | - | - | - | - | 941,210 | 941,210 | 941,210 | 941,210 | 941,210 | 941,210 | 5,647,259 | 5,647,259 |
| Less: Off-Peak Gas Revenue | - | - | - | - | - | - | - | (20,426,596) | (15,244,906) | (10,549,497) | (8,665,033) | (10,542,053) | (16,705,203) | (82,133,288) | (82,133,288) |
| Prelim. Acct. 175.1 Ending Balance | 7,553,269 | 7,597,329 | 7,642,597 | 7,688,834 | 7,736,890 | 7,785,439 | 7,553,269 | 2,156,719 | (4,498,487) | (8,216,601) | (8,145,255) | (8,645,549) | (7,147,167) | (7,014,427) | (7,296,878) |
| Month's Average Balance | 7,553,269 | 7,597,329 | 7,642,597 | 7,688,834 | 7,736,890 | 7,785,439 | | 4,996,219 | (1,154,376) | (6,361,402) | (8,202,795) | (8,423,599) | (7,925,314) | | |
| Interest Rate (B of A Prime) | 7.00% | 7.15% | 7.26% | 7.50% | 7.53% | 7.75% | | 7.93% | 8.02% | 8.25% | 8.25% | 8.25% | 8.25% | | |
| Interest Applied | 44,061 | 45,267 | 46,238 | 48,055 | 48,549 | 50,281 | 282,451 | 33,017 | (7,715) | (43,735) | (56,394) | (57,912) | (54,487) | (187,226) | 95,225 |
| Acct. 175.1 Ending Balance ($) | 7,597,329 | 7,642,597 | 7,688,834 | 7,736,890 | 7,785,439 | 7,835,720 | 7,835,720 | 2,189,735 | (4,506,202) | (8,260,336) | (8,201,649) | (8,703,461) | (7,201,653) | (7,201,653) | (7,201,653) |
| **ACCOUNT 175.15** | | | | | | | | | | | | | | | |
| **Demand Cost Reallocation Gas Reconciliation Adj. - CGAC** | | | | | | | | | | | | | | | |
| Acct. 175.15 Beg. Balance | - | (2,727,065) | (5,277,098) | (7,982,939) | (11,445,874) | (14,066,884) | - | (17,001,138) | (14,648,712) | (10,069,258) | (4,752,112) | (1,118,685) | 1,732,668 | (17,001,138) | - |
| Plus: Actual/Forecast Demand Costs | 4,307,421 | 4,500,297 | 4,360,706 | 3,624,146 | 4,485,342 | 4,192,303 | 25,470,214 | 3,397,867 | 5,602,988 | 6,309,129 | 4,594,749 | 3,790,459 | 3,976,754 | 27,671,948 | 53,142,162 |
| Less: Schedule B Demand Costs | (7,026,555) | (7,026,555) | (7,026,555) | (7,026,555) | (7,026,555) | (7,026,555) | (42,159,332) | (941,210) | (941,210) | (941,210) | (941,210) | (941,210) | (941,210) | (5,647,259) | (47,806,591) |
| Prelim. Acct. 175.15 Ending Balance | (2,719,134) | (5,253,324) | (7,942,948) | (11,385,348) | (13,987,088) | (16,901,137) | (16,689,119) | (14,544,480) | (9,986,934) | (4,701,339) | (1,098,573) | 1,730,565 | 4,768,213 | 5,023,552 | 5,335,571 |
| Month's Average Balance | (1,359,567) | (3,990,194) | (6,610,023) | (9,684,144) | (12,716,481) | (15,484,011) | | (15,772,809) | (12,317,823) | (7,385,298) | (2,925,343) | 305,940 | 3,250,441 | | |
| Interest Rate (B of A Prime) | 7.00% | 7.15% | 7.26% | 7.50% | 7.53% | 7.75% | | 7.93% | 8.02% | 8.25% | 8.25% | 8.25% | 8.25% | | |
| Interest Applied | (7,931) | (23,775) | (39,991) | (60,526) | (79,796) | (100,001) | (312,019) | (104,232) | (82,324) | (50,774) | (20,112) | 2,103 | 22,347 | (232,992) | (545,011) |
| Acct. 175.15 Ending Balance ($) | (2,727,065) | (5,277,098) | (7,982,939) | (11,445,874) | (14,066,884) | (17,001,138) | (17,001,138) | (14,648,712) | (10,069,258) | (4,752,112) | (1,118,685) | 1,732,668 | 4,790,560 | 4,790,560 | 4,790,560 |

NSTAR GAS COMPANY
2005-2006ANNUAL RECONCILIATION
12 NONTH PERIOD ENDED OCTOBER 31, 2006
10 Months Actual - 2 Months Forecast
DEFERRED GAS COST CALCULATIONS
SCHEDULE 4 - PAGE 2

| | November | December | January | February | March | April | Subtotal | May | June | July | August | September | October | Subtotal | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **ACCOUNT 175.4** | | | | | | | | | | | | | | | |
| **Peak Gas Working Capital Recon. Adj. - CGAC** | | | | | | | | | | | | | | | |
| Acct. 175.4 Beg. Balance | 732,772 | 770,321 | 729,352 | 474,450 | 260,170 | (52,892) | 732,772 | (238,572) | (142,400) | (69,519) | (9,453) | 61,468 | 61,468 | (238,572) | 732,772 |
| Plus: WC Costs | 287,932 | 398,718 | 378,268 | 302,065 | 250,586 | 124,692 | 1,742,321 | 96,172 | 72,881 | 60,066 | 70,921 | - | - | 300,040 | 2,042,361 |
| Less: WC Revenue Applied | (250,443) | (439,687) | (633,170) | (516,346) | (563,648) | (310,372) | (2,713,664) | - | - | - | - | - | - | - | (2,713,664) |
| Acct. 175.4 Ending Balance ($) | 770,321 | 729,352 | 474,450 | 260,170 | (52,892) | (238,572) | (238,572) | (142,400) | (69,519) | (9,453) | 61,468 | 61,468 | 61,468 | 61,468 | 61,468 |
| **ACCOUNT 175.5** | | | | | | | | | | | | | | | |
| **Off-Peal Gas Working Capital Recon. Adj. - CGAC** | | | | | | | | | | | | | | | |
| Acct. 175.5 Beg. Balance | (477,355) | (410,546) | (318,050) | (230,299) | (155,207) | (92,913) | (477,355) | (61,915) | (99,367) | (120,580) | (132,079) | (139,118) | (168,921) | (61,915) | (477,355) |
| Plus: WC Costs | 66,809 | 92,496 | 87,751 | 75,092 | 62,295 | 30,998 | 415,440 | 23,908 | 18,118 | 14,932 | 17,631 | - | - | 74,589 | 490,029 |
| Less: WC Revenue Applied | - | - | - | - | - | - | - | (61,360) | (39,332) | (26,431) | (24,670) | (29,803) | (47,226) | (228,821) | (228,821) |
| Acct. 175.5 Ending Balance ($) | (410,546) | (318,050) | (230,299) | (155,207) | (92,913) | (61,915) | (61,915) | (99,367) | (120,580) | (132,079) | (139,118) | (168,921) | (216,147) | (216,147) | (216,147) |
| **ACCOUNT 175.68** | | | | | | | | | | | | | | | |
| **Peak Bad Debt Cost - CGAC** | | | | | | | | | | | | | | | |
| Acct. 175.68 Beg. Balance | 3,683,762 | 3,985,045 | 4,225,015 | 3,957,270 | 3,801,779 | 4,156,586 | 3,683,762 | 3,829,975 | 3,508,877 | 3,855,079 | 4,262,384 | 4,885,652 | 4,919,241 | 3,829,975 | 3,683,762 |
| Plus: Bad Debt Costs | 659,283 | 883,257 | 669,058 | 604,417 | 1,185,826 | 118,988 | 4,120,827 | (345,267) | 321,676 | 379,496 | 591,930 | - | - | 947,835 | 5,068,663 |
| Less: Bad Debt Revenue Applied | (380,302) | (667,673) | (961,480) | (784,080) | (855,910) | (471,305) | (4,120,750) | - | - | - | - | - | - | - | (4,120,750) |
| Prelim. Acct. 175.68 Ending Balance ($) | 3,962,743 | 4,200,629 | 3,932,594 | 3,777,607 | 4,131,694 | 3,804,268 | 3,683,840 | 3,484,708 | 3,830,553 | 4,234,576 | 4,854,314 | 4,885,652 | 4,919,241 | 4,777,811 | 4,631,675 |
| Month's Average Balance | 3,823,253 | 4,092,837 | 4,078,804 | 3,867,439 | 3,966,737 | 3,980,427 | | 3,657,342 | 3,669,715 | 4,044,827 | 4,558,349 | 4,885,652 | 4,919,241 | 4,303,893 | |
| Interest Rate (B of A Prime) | 7.00% | 7.15% | 7.26% | 7.50% | 7.53% | 7.75% | | 7.93% | 8.02% | 8.25% | 8.25% | 8.25% | 8.25% | | |
| Interest Applied | 22,302 | 24,386 | 24,677 | 24,171 | 24,891 | 25,707 | 146,135 | 24,169 | 24,526 | 27,808 | 31,339 | 33,589 | 33,820 | 175,250 | 321,386 |
| Acct. 175.68 Ending Balance ($) | 3,985,045 | 4,225,015 | 3,957,270 | 3,801,779 | 4,156,586 | 3,829,975 | 3,829,975 | 3,508,877 | 3,855,079 | 4,262,384 | 4,885,652 | 4,919,241 | 4,953,061 | 4,953,061 | 4,953,061 |
| **ACCOUNT 175.66** | | | | | | | | | | | | | | | |
| **Off-Peak Bad Debt Cost - CGAC** | | | | | | | | | | | | | | | |
| Acct. 175.68 Beg. Balance | 1,006,965 | 1,166,227 | 1,378,686 | 1,542,706 | 1,703,073 | 2,009,475 | 1,006,965 | 2,052,128 | 1,666,165 | 1,556,632 | 1,526,979 | 1,559,111 | 1,417,585 | 2,052,128 | 1,006,965 |
| Plus: Bad Debt Costs | 152,942 | 204,900 | 155,210 | 150,255 | 294,791 | 29,580 | 987,677 | (85,832) | 79,967 | 94,341 | 147,151 | - | - | 235,627 | 1,223,304 |
| Less: Bad Debt Revenue Applied | - | - | - | - | - | - | - | (312,377) | (200,233) | (134,558) | (125,591) | (151,723) | (240,424) | (1,164,907) | (1,164,907) |
| Prelim. Acct. 175.68 Ending Balance ($) | 1,159,907 | 1,371,127 | 1,533,896 | 1,692,961 | 1,997,864 | 2,039,055 | 1,994,642 | 1,653,919 | 1,545,898 | 1,516,415 | 1,548,539 | 1,407,388 | 1,177,161 | 1,122,849 | 1,065,362 |
| Month's Average Balance | 1,083,436 | 1,268,677 | 1,456,291 | 1,617,834 | 1,850,468 | 2,024,265 | | 1,853,024 | 1,606,031 | 1,536,524 | 1,537,759 | 1,483,249 | 1,297,373 | 1,587,489 | |
| Interest Rate (B of A Prime) | 7.00% | 7.15% | 7.26% | 7.50% | 7.53% | 7.75% | | 7.93% | 8.02% | 8.25% | 8.25% | 8.25% | 8.25% | | |
| Interest Applied | 6,320 | 7,559 | 8,811 | 10,111 | 11,612 | 13,073 | 57,486 | 12,245 | 10,734 | 10,564 | 10,572 | 10,197 | 8,919 | 63,232 | 120,718 |
| Acct. 175.68 Ending Balance ($) | 1,166,227 | 1,378,686 | 1,542,706 | 1,703,073 | 2,009,475 | 2,052,128 | 2,052,128 | 1,666,165 | 1,556,632 | 1,526,979 | 1,559,111 | 1,417,585 | 1,186,080 | 1,186,080 | 1,186,080 |
| **ACCOUNT 175.69** | | | | | | | | | | | | | | | |
| **Peak Bad Debt Working Capital - CGAC** | | | | | | | | | | | | | | | |
| Acct. 175.67 Beg. Balance | 14,960 | 17,130 | 19,072 | 17,764 | 17,098 | 19,953 | 14,960 | 17,889 | 19,707 | 21,897 | 24,481 | 28,511 | 28,511 | 17,889 | 14,960 |
| Plus: BDWC Costs | 4,489 | 6,013 | 4,555 | 4,115 | 8,073 | 810 | 28,056 | 1,818 | 2,190 | 2,584 | 4,030 | - | - | 10,621 | 38,677 |
| Less: BDWC Revenue Applied | (2,319) | (4,071) | (5,863) | (4,781) | (5,219) | (2,874) | (25,127) | - | - | - | - | - | - | - | (25,127) |
| Acct. 175.69 Ending Balance ($) | 17,130 | 19,072 | 17,764 | 17,098 | 19,953 | 17,889 | 17,889 | 19,707 | 21,897 | 24,481 | 28,511 | 28,511 | 28,511 | 28,511 | 28,511 |
| **ACCOUNT 175.67** | | | | | | | | | | | | | | | |
| **Off-Peak Bad Debt Working Capital - CGAC** | | | | | | | | | | | | | | | |
| Acct. 175.69 Beg. Balance | (9,544) | (8,503) | (7,108) | (6,051) | (5,028) | (3,021) | (9,544) | (2,820) | (508) | 1,228 | 2,671 | 4,421 | 5,324 | (2,820) | (9,544) |
| Plus: BDWC Costs | 1,041 | 1,395 | 1,057 | 1,023 | 2,007 | 201 | 6,724 | 452 | 544 | 642 | 1,002 | - | - | 2,640 | 9,365 |
| Less: BDWC Revenue Applied | - | - | - | - | - | - | - | 1,859 | 1,192 | 801 | 748 | 903 | 1,431 | 6,934 | 6,934 |
| Acct. 175.67 Ending Balance ($) | (8,503) | (7,108) | (6,051) | (5,028) | (3,021) | (2,820) | (2,820) | (508) | 1,228 | 2,671 | 4,421 | 5,324 | 6,755 | 6,755 | 6,755 |

**D.T.E. 06-GAF-P8**

WORKPAPERS

Schedule I

BAKER & McKENZIE LLP
Citibank Delaware Operating Account

DATE: 03-06-06 PAYEE: Commonwealth Gas Co. VENDOR ID: WA101717 CHECK #: 41116

| VOUCHER # | INVOICE # | INVOICE DATE | DISCOUNT | INVOICE AMOUNT |
|---|---|---|---|---|
| 727918 | RF272-00306 | Mar 06,2006 | 0.00 | 2,210.00 |
| | | | **0.00** | **2,210.00** |

CHECK IS VOID IF ANY OF THE FOLLOWING SECURITY FEATURES ARE ABSENT: ORIGINAL DOCUMENT PRINTED ON CHEMICAL REACTIVE PAPER

**BAKER & McKENZIE LLP**
ATTORNEYS AT LAW
815 CONNECTICUT AVENUE, NW
WASHINGTON, DC 20006

Citibank Delaware
1 Penns Way
New Castle, DE 19720

62-20/311

**CHECK NO. 41116**

**VOID AFTER 6 MONTHS**

CHECK DATE
**Mar 06, 2006**

CHECK AMOUNT
**$******2,210.00**

**PAY***TWO THOUSAND TWO HUNDRED TEN AND 00/100 US Dollar**

TO THE ORDER OF
Commonwealth Gas Co.
c/o NSTAR, Richard S. Morrison
800 Boylston Street
Boston, MA 02199

TWO SIGNATURES REQUIRED OVER $10,000

RUB RED IMAGE - DISAPPEARS WITH HEAT. SECURITY FEATURES INCLUDED, DETAILS ON BACK. SEE BACK FOR ARTIFICIAL WATERMARK

⑈41116⑈ ⑆031100209⑆ 39105491⑈

**D.T.E. 06-GAF-P8**

**SECTION II**

NSTAR GAS COMPANY

BILL IMPACTS

MONTHLY BILL COMPARISON OF THE AVERAGE PRICE IN

EFFECT DURING THE 2005-2006 PEAK SEASON TO THE PROPOSED

2006-07 PEAK GAF

NSTAR GAS COMPANY
ANNUAL BILL COMPARISON
DOMESTIC RATE R-1

WINTER USAGE & RATES

| | MONTHLY THERMS | WINTER 2005-2006 TOTAL | WINTER 2005-2006 CGA (1) | WINTER 2005-2006 CC/LDAC (3) | WINTER 2005-2006 DIST. | WINTER 2006-2007 TOTAL | WINTER 2006-2007 CGA (2) | WINTER 2006-2007 CC/LDAC (4) | WINTER 2006-2007 DIST. | CHANGE AMOUNT | CHANGE % OF TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 12 | $ 30.95 | $ 15.74 | $ 0.34 | $ 14.87 | $ 29.56 | $ 14.34 | $ 0.34 | $ 14.88 | $ (1.39) | -4.5% |
| | 14 | 35.00 | 18.37 | 0.39 | 16.24 | 33.37 | 16.73 | 0.39 | 16.25 | (1.63) | -4.7% |
| | 16 | 39.05 | 20.99 | 0.45 | 17.61 | 37.19 | 19.12 | 0.45 | 17.62 | (1.86) | -4.8% |
| | 18 | 43.11 | 23.61 | 0.51 | 18.99 | 41.01 | 21.51 | 0.50 | 19.00 | (2.10) | -4.9% |
| | 20 | 47.16 | 26.24 | 0.56 | 20.36 | 44.83 | 23.90 | 0.56 | 20.37 | (2.33) | -4.9% |
| | 22 | 50.69 | 28.86 | 0.62 | 21.21 | 48.13 | 26.29 | 0.62 | 21.22 | (2.56) | -5.1% |
| | 24 | 54.24 | 31.49 | 0.68 | 22.07 | 51.43 | 28.68 | 0.67 | 22.08 | (2.81) | -5.2% |
| | 26 | 57.76 | 34.11 | 0.73 | 22.92 | 54.73 | 31.07 | 0.73 | 22.93 | (3.03) | -5.2% |
| | 28 | 61.29 | 36.73 | 0.79 | 23.77 | 58.03 | 33.46 | 0.79 | 23.78 | (3.26) | -5.3% |
| Avg Use | 17 | 41.08 | 22.30 | 0.48 | 18.30 | 39.10 | 20.31 | 0.48 | 18.31 | (1.98) | -4.8% |

| PRESENT RATE R-1 | THERM | WINTER | THERM | SUMMER |
|---|---|---|---|---|
| CUSTOMER CHARGE: | | $ 6.62 | | $ 6.62 |
| ENERGY CHARGE: | | | | |
| FIRST | 20 | $ 0.6871 | 10 | $ 0.6225 |
| OVER | 20 | $ 0.4258 | 10 | $ 0.3612 |

| PROPOSED RATE R-1 | THERM | WINTER RATE | THERM | SUMMER RATE |
|---|---|---|---|---|
| CUSTOMER CHARGE: | | $ 6.63 | | $ 6.63 |
| ENERGY CHARGE: | | | | |
| FIRST | 20 | $ 0.6871 | 10 | $ 0.6225 |
| OVER | 20 | $ 0.4258 | 10 | $ 0.3612 |

| PRESENT RATE ADJUSTMENTS | CENTS/THERM |
|---|---|
| (1) WINTER CGA | 131.190 |
| SUMMER CGA | 118.550 |
| (3) LDAC FACTOR | 2.814 |

| PROPOSED RATE ADJUSTMENTS | CENTS/THERM |
|---|---|
| (2) WINTER CGA | 119.490 |
| SUMMER CGA | 112.020 |
| (4) LDAC FACTOR | 2.804 |

NSTAR GAS COMPANY
ANNUAL BILL COMPARISON
DOMESTIC LOW INCOME RATE R-2

WINTER USAGE & RATES

| | MONTHLY THERMS | WINTER 2005-2006 TOTAL | CGA (1) | CC/LDAC (3) | DIST. | WINTER 2006-2007 TOTAL | CGA (2) | CC/LDAC (4) | DIST. | CHANGE AMOUNT | % OF TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 16 | $ 34.20 | $ 20.99 | $ 0.45 | $ 12.76 | $ 32.34 | $ 19.12 | $ 0.45 | $ 12.77 | $ (1.86) | -5.4% |
| | 18 | 37.81 | 23.61 | 0.51 | 13.69 | 35.71 | 21.51 | 0.50 | 13.70 | (2.10) | -5.6% |
| | 20 | 41.42 | 26.24 | 0.56 | 14.62 | 39.09 | 23.90 | 0.56 | 14.63 | (2.33) | -5.6% |
| | 22 | 44.61 | 28.86 | 0.62 | 15.13 | 42.05 | 26.29 | 0.62 | 15.14 | (2.56) | -5.7% |
| | 24 | 47.81 | 31.49 | 0.68 | 15.64 | 45.00 | 28.68 | 0.67 | 15.65 | (2.81) | -5.9% |
| | 26 | 50.99 | 34.11 | 0.73 | 16.15 | 47.96 | 31.07 | 0.73 | 16.16 | (3.03) | -5.9% |
| | 28 | 54.18 | 36.73 | 0.79 | 16.66 | 50.92 | 33.46 | 0.79 | 16.67 | (3.26) | -6.0% |
| | 30 | 57.38 | 39.36 | 0.84 | 17.18 | 53.88 | 35.85 | 0.84 | 17.19 | (3.50) | -6.1% |
| | 32 | 60.57 | 41.98 | 0.90 | 17.69 | 56.84 | 38.24 | 0.90 | 17.70 | (3.73) | -6.2% |
| Avg Use | 22 | 44.61 | 28.86 | 0.62 | 15.13 | 42.05 | 26.29 | 0.62 | 15.14 | (2.56) | -5.7% |

PRESENT RATE R-2

| | WINTER THERM | WINTER | SUMMER THERM | SUMMER |
|---|---|---|---|---|
| CUSTOMER CHARGE: | | $ 5.32 | | $ 5.32 |
| ENERGY CHARGE: | | | | |
| FIRST | 20 | $ 0.4649 | 10 | $ 0.4403 |
| OVER | 20 | $ 0.2558 | 10 | $ 0.2312 |

PROPOSED RATE R-2

| | WINTER THERM | WINTER RATE | SUMMER THERM | SUMMER RATE |
|---|---|---|---|---|
| CUSTOMER CHARGE: | | $ 5.33 | | $ 5.33 |
| ENERGY CHARGE: | | | | |
| FIRST | 20 | $ 0.4649 | 10 | $ 0.4403 |
| OVER | 20 | $ 0.2558 | 10 | $ 0.2312 |

| PRESENT RATE ADJUSTMENTS | CENTS/THERM | PROPOSED RATE ADJUSTMENTS | CENTS/THERM |
|---|---|---|---|
| (1) WINTER CGA | 131.190 | (2) WINTER CGA | 119.490 |
| SUMMER CGA | 118.550 | SUMMER CGA | 112.020 |
| (3) LDAC FACTOR | 2.814 | (4) LDAC FACTOR | 2.804 |

NSTAR GAS COMPANY
ANNUAL BILL COMPARISON
DOMESTIC HEATING RATE R-3

WINTER USAGE & RATES

| | MONTHLY THERMS | WINTER 2005-2006 TOTAL | WINTER 2005-2006 CGA (1) | WINTER 2005-2006 CC/LDAC (3) | WINTER 2005-2006 DIST. | WINTER 2006-2007 TOTAL | WINTER 2006-2007 CGA (2) | WINTER 2006-2007 CC/LDAC (4) | WINTER 2006-2007 DIST. | CHANGE AMOUNT | CHANGE % OF TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 80 | $ 148.27 | $ 104.95 | $ 2.25 | $ 41.07 | $ 138.91 | $ 95.59 | $ 2.24 | $ 41.08 | $ (9.36) | -6.3% |
| | 100 | 180.00 | 131.19 | 2.81 | 46.00 | 168.30 | 119.49 | 2.80 | 46.01 | (11.70) | -6.5% |
| | 120 | 211.74 | 157.43 | 3.38 | 50.93 | 197.69 | 143.39 | 3.36 | 50.94 | (14.05) | -6.6% |
| | 140 | 243.47 | 183.67 | 3.94 | 55.86 | 227.09 | 167.29 | 3.93 | 55.87 | (16.38) | -6.7% |
| | 160 | 275.20 | 209.90 | 4.50 | 60.80 | 256.48 | 191.18 | 4.49 | 60.81 | (18.72) | -6.8% |
| | 180 | 306.94 | 236.14 | 5.07 | 65.73 | 285.87 | 215.08 | 5.05 | 65.74 | (21.07) | -6.9% |
| | 200 | 338.67 | 262.38 | 5.63 | 70.66 | 315.26 | 238.98 | 5.61 | 70.67 | (23.41) | -6.9% |
| | 220 | 370.40 | 288.62 | 6.19 | 75.59 | 344.65 | 262.88 | 6.17 | 75.60 | (25.75) | -7.0% |
| | 240 | 402.13 | 314.86 | 6.75 | 80.52 | 374.04 | 286.78 | 6.73 | 80.53 | (28.09) | -7.0% |
| Avg Use | 144 | 249.81 | 188.91 | 4.05 | 56.85 | 232.97 | 172.07 | 4.04 | 56.86 | (16.84) | -6.7% |

| PRESENT RATE R-3 | THERM | WINTER | THERM | SUMMER |
|---|---|---|---|---|
| CUSTOMER CHARGE: | | $ 6.62 | | $ 6.62 |
| ENERGY CHARGE: | | | | |
| FIRST | 50 | $ 0.5410 | 20 | $ 0.5410 |
| OVER | 50 | $ 0.2466 | 20 | $ 0.2466 |

| PROPOSED RATE R-3 | THERM | WINTER RATE | THERM | SUMMER RATE |
|---|---|---|---|---|
| CUSTOMER CHARGE: | | $ 6.63 | | $ 6.63 |
| ENERGY CHARGE: | | | | |
| FIRST | 50 | $ 0.5410 | 20 | $ 0.5410 |
| OVER | 50 | $ 0.2466 | 20 | $ 0.2466 |

| PRESENT RATE ADJUSTMENTS | CENTS/THERM |
|---|---|
| (1) WINTER CGA | 131.190 |
| SUMMER CGA | 118.550 |
| (3) LDAC FACTOR | 2.814 |

| PROPOSED RATE ADJUSTMENTS | CENTS/THERM |
|---|---|
| (2) WINTER CGA | 119.490 |
| SUMMER CGA | 112.020 |
| (4) LDAC FACTOR | 2.804 |

NSTAR GAS COMPANY
ANNUAL BILL COMPARISON
DOMESTIC HEATING LOW INCOME RATE R-4

WINTER USAGE & RATES

| | MONTHLY THERMS | ------- WINTER 2005-2006 -------- TOTAL | CGA (1) | CC/LDAC (3) | DIST. | ------- WINTER 2006-2007 -------- TOTAL | CGA (2) | CC/LDAC (4) | DIST. | ---- CHANGE ---- AMOUNT | % OF TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 60 | $ 104.64 | $ 78.71 | $ 1.69 | $ 24.24 | $ 97.62 | $ 71.69 | $ 1.68 | $ 24.25 | $ (7.02) | -6.7% |
| | 80 | 133.77 | 104.95 | 2.25 | 26.57 | 124.41 | 95.59 | 2.24 | 26.58 | (9.36) | -7.0% |
| | 100 | 162.90 | 131.19 | 2.81 | 28.90 | 151.20 | 119.49 | 2.80 | 28.91 | (11.70) | -7.2% |
| | 120 | 192.03 | 157.43 | 3.38 | 31.22 | 177.98 | 143.39 | 3.36 | 31.23 | (14.05) | -7.3% |
| | 140 | 221.16 | 183.67 | 3.94 | 33.55 | 204.78 | 167.29 | 3.93 | 33.56 | (16.38) | -7.4% |
| | 160 | 250.27 | 209.90 | 4.50 | 35.87 | 231.55 | 191.18 | 4.49 | 35.88 | (18.72) | -7.5% |
| | 180 | 279.41 | 236.14 | 5.07 | 38.20 | 258.34 | 215.08 | 5.05 | 38.21 | (21.07) | -7.5% |
| | 200 | 308.54 | 262.38 | 5.63 | 40.53 | 285.13 | 238.98 | 5.61 | 40.54 | (23.41) | -7.6% |
| | 220 | 337.66 | 288.62 | 6.19 | 42.85 | 311.91 | 262.88 | 6.17 | 42.86 | (25.75) | -7.6% |
| Avg Use | 130 | 206.59 | 170.55 | 3.66 | 32.38 | 191.38 | 155.34 | 3.65 | 32.39 | (15.21) | -7.4% |

| PRESENT RATE R-4 | | WINTER | | SUMMER |
|---|---|---|---|---|
| CUSTOMER CHARGE: | | $ 5.32 | | $ 5.32 |
| ENERGY CHARGE: | THERM | | THERM | |
| FIRST | 50 | $ 0.3552 | 20 | $ 0.3552 |
| OVER | 50 | $ 0.1163 | 20 | $ 0.1163 |

| PROPOSED RATE R-4 | | WINTER | | SUMMER |
|---|---|---|---|---|
| CUSTOMER CHARGE: | | $ 5.33 | | $ 5.33 |
| ENERGY CHARGE: | THERM | RATE | THERM | RATE |
| FIRST | 50 | $ 0.3552 | 20 | $ 0.3552 |
| OVER | 50 | $ 0.1163 | 20 | $ 0.1163 |

| PRESENT RATE ADJUSTMENTS | CENTS/THERM |
|---|---|
| (1) WINTER CGA | 131.190 |
| SUMMER CGA | 118.550 |
| (3) LDAC FACTOR | 2.814 |

| PROPOSED RATE ADJUSTMENTS | CENTS/THERM |
|---|---|
| (2) WINTER CGA | 119.490 |
| SUMMER CGA | 112.020 |
| (4) LDAC FACTOR | 2.804 |

NSTAR GAS COMPANY
ANNUAL BILL COMPARISON
LOW LOAD FACTOR SMALL GENERAL- RATE G-41

WINTER USAGE & RATES

| | MONTHLY THERMS | ------- WINTER 2005-2006 -------- TOTAL | CGA (1) | CC/LDAC (3) | DIST. | ------- WINTER 2006-2007 -------- TOTAL | CGA (2) | CC/LDAC (4) | DIST. | ---- CHANGE ---- AMOUNT | % OF TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 140 | $ 237.65 | $ 183.67 | $ 3.45 | $ 50.53 | $ 221.18 | $ 167.29 | $ 3.35 | $ 50.54 | $ (16.47) | -6.9% |
| | 180 | 301.22 | 236.14 | 4.44 | 60.64 | 280.04 | 215.08 | 4.31 | 60.65 | (21.18) | -7.0% |
| | 220 | 364.80 | 288.62 | 5.42 | 70.76 | 338.92 | 262.88 | 5.27 | 70.77 | (25.88) | -7.1% |
| | 260 | 428.37 | 341.09 | 6.41 | 80.87 | 397.77 | 310.67 | 6.22 | 80.88 | (30.60) | -7.1% |
| | 300 | 491.95 | 393.57 | 7.39 | 90.99 | 456.65 | 358.47 | 7.18 | 91.00 | (35.30) | -7.2% |
| | 340 | 555.54 | 446.05 | 8.38 | 101.11 | 515.53 | 406.27 | 8.14 | 101.12 | (40.01) | -7.2% |
| | 380 | 619.10 | 498.52 | 9.36 | 111.22 | 574.39 | 454.06 | 9.10 | 111.23 | (44.71) | -7.2% |
| | 440 | 714.48 | 577.24 | 10.84 | 126.40 | 662.70 | 525.76 | 10.53 | 126.41 | (51.78) | -7.2% |
| | 500 | 809.84 | 655.95 | 12.32 | 141.57 | 751.00 | 597.45 | 11.97 | 141.58 | (58.84) | -7.3% |
| Avg Use | 301 | 493.54 | 394.88 | 7.42 | 91.24 | 458.12 | 359.66 | 7.21 | 91.25 | (35.42) | -7.2% |

| PRESENT RATE G-41 | | WINTER | SUMMER | PROPOSED RATE G-41 | | WINTER | SUMMER |
|---|---|---|---|---|---|---|---|
| CUSTOMER CHARGE: | | $ 15.12 | $ 15.12 | CUSTOMER CHARGE: | | $ 15.13 | $ 15.13 |
| ENERGY CHARGE: | PER THERM | $ 0.2529 | $ 0.1712 | ENERGY CHARGE: | PER THERM | $ 0.2529 | $ 0.1712 |

| PRESENT RATE ADJUSTMENTS | CENTS/THERM | PROPOSED RATE ADJUSTMENTS | CENTS/THERM |
|---|---|---|---|
| (1) WINTER CGA | 131.190 | (2) WINTER CGA | 119.490 |
| SUMMER CGA | 118.550 | SUMMER CGA | 112.020 |
| (3) LDAC FACTOR | 2.464 | (4) LDAC FACTOR | 2.394 |

NSTAR GAS COMPANY
ANNUAL BILL COMPARISON
LOW LOAD FACTOR MEDIUM GENERAL- RATE G-42

WINTER USAGE & RATES

| | MONTHLY THERMS | WINTER 2005-2006 TOTAL | CGA (1) | CC/LDAC (3) | DIST. | WINTER 2006-2007 TOTAL | CGA (2) | CC/LDAC (4) | DIST. | CHANGE AMOUNT | % OF TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1,600 | $ 2,535.14 | $ 2,099.04 | $ 39.42 | $ 396.68 | $ 2,346.83 | $ 1,911.84 | $ 38.30 | $ 396.69 | $ (188.31) | -7.4% |
| | 2,000 | 3,161.40 | 2,623.80 | 49.28 | 488.32 | 2,926.01 | 2,389.80 | 47.88 | 488.33 | (235.39) | -7.4% |
| | 2,400 | 3,787.66 | 3,148.56 | 59.14 | 579.96 | 3,505.19 | 2,867.76 | 57.46 | 579.97 | (282.47) | -7.5% |
| | 2,800 | 4,413.91 | 3,673.32 | 68.99 | 671.60 | 4,084.36 | 3,345.72 | 67.03 | 671.61 | (329.55) | -7.5% |
| | 3,200 | 5,040.17 | 4,198.08 | 78.85 | 763.24 | 4,663.54 | 3,823.68 | 76.61 | 763.25 | (376.63) | -7.5% |
| | 3,600 | 5,666.42 | 4,722.84 | 88.70 | 854.88 | 5,242.71 | 4,301.64 | 86.18 | 854.89 | (423.71) | -7.5% |
| | 4,000 | 6,292.68 | 5,247.60 | 98.56 | 946.52 | 5,821.89 | 4,779.60 | 95.76 | 946.53 | (470.79) | -7.5% |
| | 4,400 | 6,918.94 | 5,772.36 | 108.42 | 1,038.16 | 6,401.07 | 5,257.56 | 105.34 | 1,038.17 | (517.87) | -7.5% |
| | 4,800 | 7,545.19 | 6,297.12 | 118.27 | 1,129.80 | 6,980.24 | 5,735.52 | 114.91 | 1,129.81 | (564.95) | -7.5% |
| Avg Use | 2,906 | 4,579.86 | 3,812.38 | 71.60 | 695.88 | 4,237.84 | 3,472.38 | 69.57 | 695.89 | (342.02) | -7.5% |

| PRESENT RATE G-42 | | WINTER | SUMMER | PROPOSED RATE G-42 | | WINTER | SUMMER |
|---|---|---|---|---|---|---|---|
| CUSTOMER CHARGE: | | $ 30.12 | $ 30.12 | CUSTOMER CHARGE: | | $ 30.13 | $ 30.13 |
| ENERGY CHARGE: | PER THERM | $ 0.2291 | $ 0.1113 | ENERGY CHARGE: | PER THERM | $ 0.2291 | $ 0.1113 |

| PRESENT RATE ADJUSTMENTS | CENTS/THERM | PROPOSED RATE ADJUSTMENTS | CENTS/THERM |
|---|---|---|---|
| (1) WINTER CGA | 131.190 | (2) WINTER CGA | 119.490 |
| SUMMER CGA | 118.550 | SUMMER CGA | 112.020 |
| (3) LDAC FACTOR | 2.464 | (4) LDAC FACTOR | 2.394 |

NSTAR GAS COMPANY
ANNUAL BILL COMPARISON
LOW LOAD FACTOR LARGE GENERAL- RATE G-43

WINTER USAGE & RATES

| | MONTHLY THERMS | WINTER 2005-2006 TOTAL | CGA (1) | CC/LDAC (3) | DIST. | WINTER 2006-2007 TOTAL | CGA (2) | CC/LDAC (4) | DIST. | CHANGE AMOUNT | % OF TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 4,000 | $ 6,309.48 | $ 5,247.60 | $ 98.56 | $ 963.32 | $ 5,838.69 | $ 4,779.60 | $ 95.76 | $ 963.33 | $ (470.79) | -7.5% |
| | 4,500 | 7,085.65 | 5,903.55 | 110.88 | 1,071.22 | 6,556.01 | 5,377.05 | 107.73 | 1,071.23 | (529.64) | -7.5% |
| | 5,000 | 7,861.82 | 6,559.50 | 123.20 | 1,179.12 | 7,273.33 | 5,974.50 | 119.70 | 1,179.13 | (588.49) | -7.5% |
| | 5,500 | 8,637.99 | 7,215.45 | 135.52 | 1,287.02 | 7,990.65 | 6,571.95 | 131.67 | 1,287.03 | (647.34) | -7.5% |
| | 6,000 | 9,414.16 | 7,871.40 | 147.84 | 1,394.92 | 8,707.97 | 7,169.40 | 143.64 | 1,394.93 | (706.19) | -7.5% |
| | 6,500 | 10,190.33 | 8,527.35 | 160.16 | 1,502.82 | 9,425.29 | 7,766.85 | 155.61 | 1,502.83 | (765.04) | -7.5% |
| | 7,000 | 10,966.50 | 9,183.30 | 172.48 | 1,610.72 | 10,142.61 | 8,364.30 | 167.58 | 1,610.73 | (823.89) | -7.5% |
| | 7,750 | 12,130.76 | 10,167.23 | 190.96 | 1,772.57 | 11,218.60 | 9,260.48 | 185.54 | 1,772.58 | (912.16) | -7.5% |
| | 8,500 | 13,295.01 | 11,151.15 | 209.44 | 1,934.42 | 12,294.57 | 10,156.65 | 203.49 | 1,934.43 | (1,000.44) | -7.5% |
| Avg Use | 6,465 | 10,136.00 | 8,481.43 | 159.30 | 1,495.27 | 9,375.08 | 7,725.03 | 154.77 | 1,495.28 | (760.92) | -7.5% |

| PRESENT RATE G-43 | | WINTER | SUMMER | PROPOSED RATE G-43 | | WINTER | SUMMER |
|---|---|---|---|---|---|---|---|
| CUSTOMER CHARGE: | | $ 100.12 | $ 100.12 | CUSTOMER CHARGE: | | $ 100.13 | $ 100.13 |
| ENERGY CHARGE: | PER THERM | $ 0.2158 | $ 0.0828 | ENERGY CHARGE: | PER THERM | $ 0.2158 | $ 0.0828 |

| PRESENT RATE ADJUSTMENTS | CENTS/THERM | PROPOSED RATE ADJUSTMENTS | CENTS/THERM |
|---|---|---|---|
| (1) WINTER CGA | 131.190 | (2) WINTER CGA | 119.490 |
| SUMMER CGA | 118.550 | SUMMER CGA | 112.020 |
| (3) LDAC FACTOR | 2.464 | (4) LDAC FACTOR | 2.394 |

NSTAR GAS COMPANY
ANNUAL BILL COMPARISON
HIGH LOAD FACTOR SMALL GENERAL- RATE G-51

WINTER USAGE & RATES

| | MONTHLY THERMS | ------- WINTER 2005-2006 -------- TOTAL | CGA (1) | CC/LDAC (3) | DIST. | ------- WINTER 2006-2007 -------- TOTAL | CGA (2) | CC/LDAC (4) | DIST. | ---- CHANGE ---- AMOUNT | % OF TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 200 | $ 328.730 | $ 262.380 | $ 4.930 | $ 61.420 | $ 305.200 | $ 238.980 | $ 4.790 | $ 61.430 | $ (23.530) | -7.2% |
| | 225 | 367.93 | 295.18 | 5.54 | 67.21 | 341.46 | 268.85 | 5.39 | 67.22 | (26.47) | -7.2% |
| | 250 | 407.14 | 327.98 | 6.16 | 73.00 | 377.73 | 298.73 | 5.99 | 73.01 | (29.41) | -7.2% |
| | 275 | 446.33 | 360.77 | 6.78 | 78.78 | 413.97 | 328.60 | 6.58 | 78.79 | (32.36) | -7.3% |
| | 300 | 485.53 | 393.57 | 7.39 | 84.57 | 450.23 | 358.47 | 7.18 | 84.58 | (35.30) | -7.3% |
| | 325 | 524.74 | 426.37 | 8.01 | 90.36 | 486.49 | 388.34 | 7.78 | 90.37 | (38.25) | -7.3% |
| | 350 | 563.94 | 459.17 | 8.62 | 96.15 | 522.76 | 418.22 | 8.38 | 96.16 | (41.18) | -7.3% |
| | 375 | 603.13 | 491.96 | 9.24 | 101.93 | 559.01 | 448.09 | 8.98 | 101.94 | (44.12) | -7.3% |
| | 400 | 642.34 | 524.76 | 9.86 | 107.72 | 595.27 | 477.96 | 9.58 | 107.73 | (47.07) | -7.3% |
| Avg Use | 290 | 469.86 | 380.45 | 7.15 | 82.26 | 435.73 | 346.52 | 6.94 | 82.27 | (34.13) | -7.3% |

| PRESENT RATE G-51 | | WINTER | SUMMER | PROPOSED RATE G-51 | | WINTER | SUMMER |
|---|---|---|---|---|---|---|---|
| CUSTOMER CHARGE: | | $ 15.12 | $ 15.12 | CUSTOMER CHARGE: | | $ 15.13 | $ 15.13 |
| ENERGY CHARGE: | PER THERM | $ 0.2315 | $ 0.1612 | ENERGY CHARGE: | PER THERM | $ 0.2315 | $ 0.1612 |

| PRESENT RATE ADJUSTMENTS | CENTS/THERM | PROPOSED RATE ADJUSTMENTS | CENTS/THERM |
|---|---|---|---|
| (1) WINTER CGA | 131.190 | (2) WINTER CGA | 119.490 |
| SUMMER CGA | 118.550 | SUMMER CGA | 112.020 |
| (3) LDAC FACTOR | 2.464 | (4) LDAC FACTOR | 2.394 |

NSTAR GAS COMPANY
ANNUAL BILL COMPARISON
HIGH LOAD FACTOR MEDIUM GENERAL- RATE G-52

WINTER USAGE & RATES

| | MONTHLY THERMS | ------- WINTER 2005-2006 -------- TOTAL | CGA (1) | CC/LDAC (3) | DIST. | ------- WINTER 2006-2007 -------- TOTAL | CGA (2) | CC/LDAC (4) | DIST. | ---- CHANGE ---- AMOUNT | % OF TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1,600 | $ 2,470.02 | $ 2,099.04 | $ 39.42 | $ 331.56 | $ 2,281.71 | $ 1,911.84 | $ 38.30 | $ 331.57 | $ (188.31) | -7.6% |
| | 1,700 | 2,622.52 | 2,230.23 | 41.89 | 350.40 | 2,422.44 | 2,031.33 | 40.70 | 350.41 | (200.08) | -7.6% |
| | 1,800 | 2,775.01 | 2,361.42 | 44.35 | 369.24 | 2,563.16 | 2,150.82 | 43.09 | 369.25 | (211.85) | -7.6% |
| | 1,900 | 2,927.51 | 2,492.61 | 46.82 | 388.08 | 2,703.89 | 2,270.31 | 45.49 | 388.09 | (223.62) | -7.6% |
| | 2,000 | 3,080.00 | 2,623.80 | 49.28 | 406.92 | 2,844.61 | 2,389.80 | 47.88 | 406.93 | (235.39) | -7.6% |
| | 2,200 | 3,384.99 | 2,886.18 | 54.21 | 444.60 | 3,126.06 | 2,628.78 | 52.67 | 444.61 | (258.93) | -7.6% |
| | 2,400 | 3,689.98 | 3,148.56 | 59.14 | 482.28 | 3,407.51 | 2,867.76 | 57.46 | 482.29 | (282.47) | -7.7% |
| | 2,600 | 3,994.96 | 3,410.94 | 64.06 | 519.96 | 3,688.95 | 3,106.74 | 62.24 | 519.97 | (306.01) | -7.7% |
| | 2,800 | 4,299.95 | 3,673.32 | 68.99 | 557.64 | 3,970.40 | 3,345.72 | 67.03 | 557.65 | (329.55) | -7.7% |
| Avg Use | 2,116 | 3,256.89 | 2,775.98 | 52.14 | 428.77 | 3,007.85 | 2,528.41 | 50.66 | 428.78 | (249.04) | -7.6% |

| PRESENT RATE G-52 | | WINTER | SUMMER | PROPOSED RATE G-52 | | WINTER | SUMMER |
|---|---|---|---|---|---|---|---|
| CUSTOMER CHARGE: | | $ 30.12 | $ 30.12 | CUSTOMER CHARGE: | | $ 30.13 | $ 30.13 |
| ENERGY CHARGE: | PER THERM | $ 0.1884 | $ 0.0818 | ENERGY CHARGE: | PER THERM | $ 0.1884 | $ 0.0818 |

| PRESENT RATE ADJUSTMENTS | CENTS/THERM | PROPOSED RATE ADJUSTMENTS | CENTS/THERM |
|---|---|---|---|
| (1) WINTER CGA | 131.190 | (2) WINTER CGA | 119.490 |
| SUMMER CGA | 118.550 | SUMMER CGA | 112.020 |
| (3) LDAC FACTOR | 2.464 | (4) LDAC FACTOR | 2.394 |

NSTAR GAS COMPANY
ANNUAL BILL COMPARISON
HIGH LOAD FACTOR LARGE GENERAL- RATE G-53

WINTER USAGE & RATES

| | MDTQ | MONTHLY THERMS | WINTER 2005-2006 TOTAL | WINTER 2005-2006 CGA (1) | WINTER 2005-2006 CC/LDAC (3) | WINTER 2005-2006 DIST. | WINTER 2006-2007 TOTAL | WINTER 2006-2007 CGA (2) | WINTER 2006-2007 CC/LDAC (4) | WINTER 2006-2007 DIST. | CHANGE AMOUNT | CHANGE % OF TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 424 | 8,000 | $ 11,742.36 | $ 10,492.16 | $ 115.52 | $ 1,134.68 | $ 10,834.37 | $ 9,556.16 | $ 143.52 | $ 1,134.69 | $ (907.99) | -7.7% |
| | 530 | 10,000 | 14,652.92 | 13,115.20 | 144.40 | 1,393.32 | 13,517.93 | 11,945.20 | 179.40 | 1,393.33 | (1,134.99) | -7.7% |
| | 637 | 12,000 | 17,569.06 | 15,741.38 | 173.28 | 1,654.40 | 16,207.07 | 14,337.38 | 215.28 | 1,654.41 | (1,361.99) | -7.8% |
| | 743 | 14,000 | 20,479.62 | 18,364.42 | 202.16 | 1,913.04 | 18,890.63 | 16,726.42 | 251.16 | 1,913.05 | (1,588.99) | -7.8% |
| | 849 | 16,000 | 23,390.18 | 20,987.46 | 231.04 | 2,171.68 | 21,574.19 | 19,115.46 | 287.04 | 2,171.69 | (1,815.99) | -7.8% |
| | 955 | 18,000 | 26,300.74 | 23,610.50 | 259.92 | 2,430.32 | 24,257.75 | 21,504.50 | 322.92 | 2,430.33 | (2,042.99) | -7.8% |
| | 1,061 | 20,000 | 29,211.30 | 26,233.54 | 288.80 | 2,688.96 | 26,941.31 | 23,893.54 | 358.80 | 2,688.97 | (2,269.99) | -7.8% |
| | 1,167 | 22,000 | 32,121.86 | 28,856.58 | 317.68 | 2,947.60 | 29,624.87 | 26,282.58 | 394.68 | 2,947.61 | (2,496.99) | -7.8% |
| | 1,273 | 24,000 | 35,032.42 | 31,479.62 | 346.56 | 3,206.24 | 32,308.43 | 28,671.62 | 430.56 | 3,206.25 | (2,723.99) | -7.8% |
| Avg Use | 870 | 16,400 | 23,971.18 | 21,511.44 | 236.82 | 2,222.92 | 22,109.79 | 19,592.64 | 294.22 | 2,222.93 | (1,861.39) | -7.8% |

| PRESENT RATE G-53 | WINTER | SUMMER | PROPOSED RATE G-53 | WINTER | SUMMER |
|---|---|---|---|---|---|
| CUSTOMER CHARGE: | $ 100.12 | $ 100.12 | CUSTOMER CHARGE: | $ 100.13 | $ 100.13 |
| DISTRIBUTION CHARGE: | | | DISTRIBUTION CHARGE: | | |
| ENERGY | $ - | $ - | ENERGY | $ - | $ - |
| DEMAND | $ 2.44 | $ 1.07 | DEMAND | $ 2.44 | $ 1.07 |
| DEFAULT SERV ADJ CHARGE: | | | DEFAULT SERV ADJ CHARGE: | | |
| ENERGY | $ (0.1668) | $ (0.0571) | ENERGY | $ (0.1668) | $ (0.0571) |
| DEMAND | $ 3.14 | $ 0.93 | DEMAND | $ 3.14 | $ 0.93 |

| PRESENT RATE ADJUSTMENTS | CENTS/THERM | PROPOSED RATE ADJUSTMENTS | CENTS/THERM |
|---|---|---|---|
| (1) WINTER CGA | 131.190 | (2) WINTER CGA | 119.490 |
| SUMMER CGA | 118.550 | SUMMER CGA | 112.020 |
| (3) LDAC FACTOR | 1.444 | (4) LDAC FACTOR | 1.794 |

**D.T.E. 06-GAF-P8**

MONTHLY BILL COMPARISON OF THE CURRENTLY EFFECTIVE

2006 OFF-PEAK GAF TO THE PROPOSED 2006-07 PEAK GAF

NSTAR GAS COMPANY
ANNUAL BILL COMPARISON
DOMESTIC RATE R-1

WINTER USAGE

| | MONTHLY THERMS | ------- SUMMER 2006 -------- TOTAL | CGA (1) | CC/LDAC (3) | DIST. | ------- WINTER 2006-2007 -------- TOTAL | CGA (2) | CC/LDAC (4) | DIST. | ---- CHANGE ---- AMOUNT | % OF TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 12 | $ 28.15 | $ 14.23 | $ 0.34 | $ 13.58 | $ 29.56 | $ 14.34 | $ 0.34 | $ 14.88 | $ 1.41 | 5.0% |
| | 14 | 31.29 | 16.60 | 0.39 | 14.30 | 33.37 | 16.73 | 0.39 | 16.25 | 2.08 | 6.6% |
| | 16 | 34.44 | 18.97 | 0.45 | 15.02 | 37.19 | 19.12 | 0.45 | 17.62 | 2.75 | 8.0% |
| | 18 | 37.59 | 21.34 | 0.51 | 15.74 | 41.01 | 21.51 | 0.50 | 19.00 | 3.42 | 9.1% |
| | 20 | 40.74 | 23.71 | 0.56 | 16.47 | 44.83 | 23.90 | 0.56 | 20.37 | 4.09 | 10.0% |
| | 22 | 43.89 | 26.08 | 0.62 | 17.19 | 48.13 | 26.29 | 0.62 | 21.22 | 4.24 | 9.7% |
| | 24 | 47.04 | 28.45 | 0.68 | 17.91 | 51.43 | 28.68 | 0.67 | 22.08 | 4.39 | 9.3% |
| | 26 | 50.18 | 30.82 | 0.73 | 18.63 | 54.73 | 31.07 | 0.73 | 22.93 | 4.55 | 9.1% |
| | 28 | 53.34 | 33.19 | 0.79 | 19.36 | 58.03 | 33.46 | 0.79 | 23.78 | 4.69 | 8.8% |
| Avg Use | 17 | 36.01 | 20.15 | 0.48 | 15.38 | 39.10 | 20.31 | 0.48 | 18.31 | 3.09 | 8.6% |

| PRESENT RATE R-1 | | | WINTER | | SUMMER |
|---|---|---|---|---|---|
| CUSTOMER CHARGE: | | | $ 6.63 | | $ 6.63 |
| ENERGY CHARGE: | | THERM | | THERM | |
| | FIRST | 20 | $ 0.6871 | 10 | $ 0.6225 |
| | OVER | 20 | $ 0.4258 | 10 | $ 0.3612 |

| PROPOSED RATE R-1 | | THERM | WINTER RATE | THERM | SUMMER RATE |
|---|---|---|---|---|---|
| CUSTOMER CHARGE: | | | $ 6.63 | | $ 6.63 |
| ENERGY CHARGE: | | | | | |
| | FIRST | 20 | $ 0.6871 | 10 | $ 0.6225 |
| | OVER | 20 | $ 0.4258 | 10 | $ 0.3612 |

| PRESENT RATE ADJUSTMENTS | | CENTS/THERM | PROPOSED RATE ADJUSTMENTS | | CENTS/THERM |
|---|---|---|---|---|---|
| (1) | WINTER CGA | 131.190 | (2) | WINTER CGA | 119.490 |
| | SUMMER CGA | 118.550 | | SUMMER CGA | 112.020 |
| (3) | LDAC FACTOR | 2.814 | (4) | LDAC FACTOR | 2.804 |

NSTAR GAS COMPANY
ANNUAL BILL COMPARISON
DOMESTIC LOW INCOME RATE R-2

WINTER USAGE

| | MONTHLY THERMS | SUMMER 2006 TOTAL | SUMMER 2006 CGA (1) | SUMMER 2006 CC/LDAC (3) | SUMMER 2006 DIST. | WINTER 2006-2007 TOTAL | WINTER 2006-2007 CGA (2) | WINTER 2006-2007 CC/LDAC (4) | WINTER 2006-2007 DIST. | CHANGE AMOUNT | CHANGE % OF TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 16 | $ 30.54 | $ 18.97 | $ 0.45 | $ 11.12 | $ 32.34 | $ 19.12 | $ 0.45 | $ 12.77 | $ 1.80 | 5.9% |
| | 18 | 33.43 | 21.34 | 0.51 | 11.58 | 35.71 | 21.51 | 0.50 | 13.70 | 2.28 | 6.8% |
| | 20 | 36.32 | 23.71 | 0.56 | 12.05 | 39.09 | 23.90 | 0.56 | 14.63 | 2.77 | 7.6% |
| | 22 | 39.21 | 26.08 | 0.62 | 12.51 | 42.05 | 26.29 | 0.62 | 15.14 | 2.84 | 7.2% |
| | 24 | 42.10 | 28.45 | 0.68 | 12.97 | 45.00 | 28.68 | 0.67 | 15.65 | 2.90 | 6.9% |
| | 26 | 44.98 | 30.82 | 0.73 | 13.43 | 47.96 | 31.07 | 0.73 | 16.16 | 2.98 | 6.6% |
| | 28 | 47.87 | 33.19 | 0.79 | 13.89 | 50.92 | 33.46 | 0.79 | 16.67 | 3.05 | 6.4% |
| | 30 | 50.77 | 35.57 | 0.84 | 14.36 | 53.88 | 35.85 | 0.84 | 17.19 | 3.11 | 6.1% |
| | 32 | 53.66 | 37.94 | 0.90 | 14.82 | 56.84 | 38.24 | 0.90 | 17.70 | 3.18 | 5.9% |
| Avg Use | 22 | 39.21 | 26.08 | 0.62 | 12.51 | 42.05 | 26.29 | 0.62 | 15.14 | 2.84 | 7.2% |

PRESENT RATE
R-2

| | WINTER THERM | WINTER RATE | SUMMER THERM | SUMMER RATE |
|---|---|---|---|---|
| CUSTOMER CHARGE: | | $ 5.33 | | $ 5.33 |
| ENERGY CHARGE: | | | | |
| FIRST | 20 | $ 0.4649 | 10 | $ 0.4403 |
| OVER | 20 | $ 0.2558 | 10 | $ 0.2312 |

PROPOSED RATE
R-2

| | WINTER THERM | WINTER RATE | SUMMER THERM | SUMMER RATE |
|---|---|---|---|---|
| CUSTOMER CHARGE: | | $ 5.33 | | $ 5.33 |
| ENERGY CHARGE: | | | | |
| FIRST | 20 | $ 0.4649 | 10 | $ 0.4403 |
| OVER | 20 | $ 0.2558 | 10 | $ 0.2312 |

| PRESENT RATE ADJUSTMENTS | CENTS/THERM |
|---|---|
| (1) WINTER CGA | 131.190 |
| SUMMER CGA | 118.550 |
| (3) LDAC FACTOR | 2.814 |

| PROPOSED RATE ADJUSTMENTS | CENTS/THERM |
|---|---|
| (2) WINTER CGA | 119.490 |
| SUMMER CGA | 112.020 |
| (4) LDAC FACTOR | 2.804 |

NSTAR GAS COMPANY
ANNUAL BILL COMPARISON
DOMESTIC HEATING RATE R-3

WINTER USAGE

| | MONTHLY THERMS | ------- SUMMER 2006 -------- | | | | ------- WINTER 2006-2007 -------- | | | | ---- CHANGE ---- | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | TOTAL | CGA (1) | CC/LDAC (3) | DIST. | TOTAL | CGA (2) | CC/LDAC (4) | DIST. | AMOUNT | % OF TOTAL |
| | 80 | $ 129.34 | $ 94.84 | $ 2.25 | $ 32.25 | $ 138.91 | $ 95.59 | $ 2.24 | $ 41.08 | $ 9.57 | 7.4% |
| | 100 | 158.54 | 118.55 | 2.81 | 37.18 | 168.30 | 119.49 | 2.80 | 46.01 | 9.76 | 6.2% |
| | 120 | 187.75 | 142.26 | 3.38 | 42.11 | 197.69 | 143.39 | 3.36 | 50.94 | 9.94 | 5.3% |
| | 140 | 216.95 | 165.97 | 3.94 | 47.04 | 227.09 | 167.29 | 3.93 | 55.87 | 10.14 | 4.7% |
| | 160 | 246.15 | 189.68 | 4.50 | 51.97 | 256.48 | 191.18 | 4.49 | 60.81 | 10.33 | 4.2% |
| | 180 | 275.37 | 213.39 | 5.07 | 56.91 | 285.87 | 215.08 | 5.05 | 65.74 | 10.50 | 3.8% |
| | 200 | 304.57 | 237.10 | 5.63 | 61.84 | 315.26 | 238.98 | 5.61 | 70.67 | 10.69 | 3.5% |
| | 220 | 333.77 | 260.81 | 6.19 | 66.77 | 344.65 | 262.88 | 6.17 | 75.60 | 10.88 | 3.3% |
| | 240 | 362.97 | 284.52 | 6.75 | 71.70 | 374.04 | 286.78 | 6.73 | 80.53 | 11.07 | 3.0% |
| Avg Use | 144 | 222.79 | 170.71 | 4.05 | 48.03 | 232.97 | 172.07 | 4.04 | 56.86 | 10.18 | 4.6% |

PRESENT RATE
R-3

| | THERM | WINTER | THERM | SUMMER |
|---|---|---|---|---|
| CUSTOMER CHARGE: | | $ 6.63 | | $ 6.63 |
| ENERGY CHARGE: | | | | |
| FIRST | 50 | $ 0.5410 | 20 | $ 0.5410 |
| OVER | 50 | $ 0.2466 | 20 | $ 0.2466 |

PROPOSED RATE
R-3

| | THERM | WINTER RATE | THERM | SUMMER RATE |
|---|---|---|---|---|
| CUSTOMER CHARGE: | | $ 6.63 | | $ 6.63 |
| ENERGY CHARGE: | | | | |
| FIRST | 50 | $ 0.5410 | 20 | $ 0.5410 |
| OVER | 50 | $ 0.2466 | 20 | $ 0.2466 |

| PRESENT RATE ADJUSTMENTS | CENTS/THERM |
|---|---|
| (1) WINTER CGA | 131.190 |
| SUMMER CGA | 118.550 |
| (3) LDAC FACTOR | 2.814 |

| PROPOSED RATE ADJUSTMENTS | CENTS/THERM |
|---|---|
| (2) WINTER CGA | 119.490 |
| SUMMER CGA | 112.020 |
| (4) LDAC FACTOR | 2.804 |

NSTAR GAS COMPANY
ANNUAL BILL COMPARISON
DOMESTIC HEATING LOW INCOME RATE R-4

WINTER USAGE

| | MONTHLY THERMS | ------- SUMMER 2006 -------- TOTAL | CGA (1) | CC/LDAC (3) | DIST. | ------- WINTER 2006-2007 -------- TOTAL | CGA (2) | CC/LDAC (4) | DIST. | ---- CHANGE ---- AMOUNT | % OF TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 60 | $ 89.91 | $ 71.13 | $ 1.69 | $ 17.09 | $ 97.62 | $ 71.69 | $ 1.68 | $ 24.25 | $ 7.71 | 8.6% |
| | 80 | 116.50 | 94.84 | 2.25 | 19.41 | 124.41 | 95.59 | 2.24 | 26.58 | 7.91 | 6.8% |
| | 100 | 143.10 | 118.55 | 2.81 | 21.74 | 151.20 | 119.49 | 2.80 | 28.91 | 8.10 | 5.7% |
| | 120 | 169.70 | 142.26 | 3.38 | 24.06 | 177.98 | 143.39 | 3.36 | 31.23 | 8.28 | 4.9% |
| | 140 | 196.30 | 165.97 | 3.94 | 26.39 | 204.78 | 167.29 | 3.93 | 33.56 | 8.48 | 4.3% |
| | 160 | 222.90 | 189.68 | 4.50 | 28.72 | 231.55 | 191.18 | 4.49 | 35.88 | 8.65 | 3.9% |
| | 180 | 249.50 | 213.39 | 5.07 | 31.04 | 258.34 | 215.08 | 5.05 | 38.21 | 8.84 | 3.5% |
| | 200 | 276.10 | 237.10 | 5.63 | 33.37 | 285.13 | 238.98 | 5.61 | 40.54 | 9.03 | 3.3% |
| | 220 | 302.69 | 260.81 | 6.19 | 35.69 | 311.91 | 262.88 | 6.17 | 42.86 | 9.22 | 3.0% |
| Avg Use | 130 | 183.01 | 154.12 | 3.66 | 25.23 | 191.38 | 155.34 | 3.65 | 32.39 | 8.37 | 4.6% |

| PRESENT RATE R-4 | | WINTER | | SUMMER | PROPOSED RATE R-4 | | WINTER | | SUMMER |
|---|---|---|---|---|---|---|---|---|---|
| CUSTOMER CHARGE: | | $ 5.33 | | $ 5.33 | CUSTOMER CHARGE: | | $ 5.33 | | $ 5.33 |
| ENERGY CHARGE: | THERM | | THERM | | ENERGY CHARGE: | THERM | RATE | THERM | RATE |
| FIRST | 50 | $ 0.3552 | 20 | $ 0.3552 | FIRST | 50 | $ 0.3552 | 20 | $ 0.3552 |
| OVER | 50 | $ 0.1163 | 20 | $ 0.1163 | OVER | 50 | $ 0.1163 | 20 | $ 0.1163 |

| PRESENT RATE ADJUSTMENTS | CENTS/THERM | PROPOSED RATE ADJUSTMENTS | CENTS/THERM |
|---|---|---|---|
| (1) WINTER CGA | 131.190 | (2) WINTER CGA | 119.490 |
| SUMMER CGA | 118.550 | SUMMER CGA | 112.020 |
| (3) LDAC FACTOR | 2.814 | (4) LDAC FACTOR | 2.804 |

NSTAR GAS COMPANY
ANNUAL BILL COMPARISON
LOW LOAD FACTOR SMALL GENERAL- RATE G-41

WINTER USAGE

| | MONTHLY THERMS | SUMMER 2006 TOTAL | SUMMER 2006 CGA (1) | SUMMER 2006 CC/LDAC (3) | SUMMER 2006 DIST. | WINTER 2006-2007 TOTAL | WINTER 2006-2007 CGA (2) | WINTER 2006-2007 CC/LDAC (4) | WINTER 2006-2007 DIST. | CHANGE AMOUNT | CHANGE % OF TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 140 | $ 208.52 | $ 165.97 | $ 3.45 | $ 39.10 | $ 221.18 | $ 167.29 | $ 3.35 | $ 50.54 | $ 12.66 | 6.1% |
| | 180 | 263.78 | 213.39 | 4.44 | 45.95 | 280.04 | 215.08 | 4.31 | 60.65 | 16.26 | 6.2% |
| | 220 | 319.02 | 260.81 | 5.42 | 52.79 | 338.92 | 262.88 | 5.27 | 70.77 | 19.90 | 6.2% |
| | 260 | 374.28 | 308.23 | 6.41 | 59.64 | 397.77 | 310.67 | 6.22 | 80.88 | 23.49 | 6.3% |
| | 300 | 429.53 | 355.65 | 7.39 | 66.49 | 456.65 | 358.47 | 7.18 | 91.00 | 27.12 | 6.3% |
| | 340 | 484.79 | 403.07 | 8.38 | 73.34 | 515.53 | 406.27 | 8.14 | 101.12 | 30.74 | 6.3% |
| | 380 | 540.04 | 450.49 | 9.36 | 80.19 | 574.39 | 454.06 | 9.10 | 111.23 | 34.35 | 6.4% |
| | 440 | 622.92 | 521.62 | 10.84 | 90.46 | 662.70 | 525.76 | 10.53 | 126.41 | 39.78 | 6.4% |
| | 500 | 705.80 | 592.75 | 12.32 | 100.73 | 751.00 | 597.45 | 11.97 | 141.58 | 45.20 | 6.4% |
| Avg Use | 301 | 430.92 | 356.84 | 7.42 | 66.66 | 458.12 | 359.66 | 7.21 | 91.25 | 27.20 | 6.3% |

| PRESENT RATE G-41 | | WINTER | SUMMER | PROPOSED RATE G-41 | | WINTER | SUMMER |
|---|---|---|---|---|---|---|---|
| CUSTOMER CHARGE: | | $ 15.13 | $ 15.13 | CUSTOMER CHARGE: | | $ 15.13 | $ 15.13 |
| ENERGY CHARGE: | PER THERM | $ 0.2529 | $ 0.1712 | ENERGY CHARGE: | PER THERM | $ 0.2529 | $ 0.1712 |

| PRESENT RATE ADJUSTMENTS | CENTS/THERM | PROPOSED RATE ADJUSTMENTS | CENTS/THERM |
|---|---|---|---|
| (1) WINTER CGA | 131.190 | (2) WINTER CGA | 119.490 |
| SUMMER CGA | 118.550 | SUMMER CGA | 112.020 |
| (3) LDAC FACTOR | 2.464 | (4) LDAC FACTOR | 2.394 |

NSTAR GAS COMPANY
ANNUAL BILL COMPARISON
LOW LOAD FACTOR MEDIUM GENERAL- RATE G-42

WINTER USAGE

| | MONTHLY THERMS | ------- SUMMER 2006 -------- TOTAL | CGA (1) | CC/LDAC (3) | DIST. | ------- WINTER 2006-2007 -------- TOTAL | CGA (2) | CC/LDAC (4) | DIST. | ---- CHANGE ---- AMOUNT | % OF TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1,600 | $ 2,144.43 | $ 1,896.80 | $ 39.42 | $ 208.21 | $ 2,346.83 | $ 1,911.84 | $ 38.30 | $ 396.69 | $ 202.40 | 9.4% |
| | 2,000 | 2,673.01 | 2,371.00 | 49.28 | 252.73 | 2,926.01 | 2,389.80 | 47.88 | 488.33 | 253.00 | 9.5% |
| | 2,400 | 3,201.59 | 2,845.20 | 59.14 | 297.25 | 3,505.19 | 2,867.76 | 57.46 | 579.97 | 303.60 | 9.5% |
| | 2,800 | 3,730.16 | 3,319.40 | 68.99 | 341.77 | 4,084.36 | 3,345.72 | 67.03 | 671.61 | 354.20 | 9.5% |
| | 3,200 | 4,258.74 | 3,793.60 | 78.85 | 386.29 | 4,663.54 | 3,823.68 | 76.61 | 763.25 | 404.80 | 9.5% |
| | 3,600 | 4,787.31 | 4,267.80 | 88.70 | 430.81 | 5,242.71 | 4,301.64 | 86.18 | 854.89 | 455.40 | 9.5% |
| | 4,000 | 5,315.89 | 4,742.00 | 98.56 | 475.33 | 5,821.89 | 4,779.60 | 95.76 | 946.53 | 506.00 | 9.5% |
| | 4,400 | 5,844.47 | 5,216.20 | 108.42 | 519.85 | 6,401.07 | 5,257.56 | 105.34 | 1,038.17 | 556.60 | 9.5% |
| | 4,800 | 6,373.04 | 5,690.40 | 118.27 | 564.37 | 6,980.24 | 5,735.52 | 114.91 | 1,129.81 | 607.20 | 9.5% |
| Avg Use | 2,906 | 3,870.23 | 3,445.06 | 71.60 | 353.57 | 4,237.84 | 3,472.38 | 69.57 | 695.89 | 367.61 | 9.5% |

| PRESENT RATE G-42 | | WINTER | SUMMER | PROPOSED RATE G-42 | | WINTER | SUMMER |
|---|---|---|---|---|---|---|---|
| CUSTOMER CHARGE: | | $ 30.13 | $ 30.13 | CUSTOMER CHARGE: | | $ 30.13 | $ 30.13 |
| ENERGY CHARGE: | PER THERM | $ 0.2291 | $ 0.1113 | ENERGY CHARGE: | PER THERM | $ 0.2291 | $ 0.1113 |

| PRESENT RATE ADJUSTMENTS | CENTS/THERM | PROPOSED RATE ADJUSTMENTS | CENTS/THERM |
|---|---|---|---|
| (1) WINTER CGA | 131.190 | (2) WINTER CGA | 119.490 |
| SUMMER CGA | 118.550 | SUMMER CGA | 112.020 |
| (3) LDAC FACTOR | 2.464 | (4) LDAC FACTOR | 2.394 |

NSTAR GAS COMPANY
ANNUAL BILL COMPARISON
LOW LOAD FACTOR LARGE GENERAL- RATE G-43

WINTER USAGE

| | MONTHLY THERMS | SUMMER 2006 TOTAL | SUMMER 2006 CGA (1) | SUMMER 2006 CC/LDAC (3) | SUMMER 2006 DIST. | WINTER 2006-2007 TOTAL | WINTER 2006-2007 CGA (2) | WINTER 2006-2007 CC/LDAC (4) | WINTER 2006-2007 DIST. | CHANGE AMOUNT | CHANGE % OF TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 4,000 | $ 5,271.89 | $ 4,742.00 | $ 98.56 | $ 431.33 | $ 5,838.69 | $ 4,779.60 | $ 95.76 | $ 963.33 | $ 566.80 | 10.8% |
| | 4,500 | 5,918.36 | 5,334.75 | 110.88 | 472.73 | 6,556.01 | 5,377.05 | 107.73 | 1,071.23 | 637.65 | 10.8% |
| | 5,000 | 6,564.83 | 5,927.50 | 123.20 | 514.13 | 7,273.33 | 5,974.50 | 119.70 | 1,179.13 | 708.50 | 10.8% |
| | 5,500 | 7,211.30 | 6,520.25 | 135.52 | 555.53 | 7,990.65 | 6,571.95 | 131.67 | 1,287.03 | 779.35 | 10.8% |
| | 6,000 | 7,857.77 | 7,113.00 | 147.84 | 596.93 | 8,707.97 | 7,169.40 | 143.64 | 1,394.93 | 850.20 | 10.8% |
| | 6,500 | 8,504.24 | 7,705.75 | 160.16 | 638.33 | 9,425.29 | 7,766.85 | 155.61 | 1,502.83 | 921.05 | 10.8% |
| | 7,000 | 9,150.71 | 8,298.50 | 172.48 | 679.73 | 10,142.61 | 8,364.30 | 167.58 | 1,610.73 | 991.90 | 10.8% |
| | 7,750 | 10,120.42 | 9,187.63 | 190.96 | 741.83 | 11,218.60 | 9,260.48 | 185.54 | 1,772.58 | 1,098.18 | 10.9% |
| | 8,500 | 11,090.12 | 10,076.75 | 209.44 | 803.93 | 12,294.57 | 10,156.65 | 203.49 | 1,934.43 | 1,204.45 | 10.9% |
| Avg Use | 6,465 | 8,458.99 | 7,664.26 | 159.30 | 635.43 | 9,375.08 | 7,725.03 | 154.77 | 1,495.28 | 916.09 | 10.8% |

| PRESENT RATE G-43 | | WINTER | SUMMER | PROPOSED RATE G-43 | | WINTER | SUMMER |
|---|---|---|---|---|---|---|---|
| CUSTOMER CHARGE: | | $ 100.13 | $ 100.13 | CUSTOMER CHARGE: | | $ 100.13 | $ 100.13 |
| ENERGY CHARGE: | PER THERM | $ 0.2158 | $ 0.0828 | ENERGY CHARGE: | PER THERM | $ 0.2158 | $ 0.0828 |

| PRESENT RATE ADJUSTMENTS | CENTS/THERM | PROPOSED RATE ADJUSTMENTS | CENTS/THERM |
|---|---|---|---|
| (1) WINTER CGA | 131.190 | (2) WINTER CGA | 119.490 |
| SUMMER CGA | 118.550 | SUMMER CGA | 112.020 |
| (3) LDAC FACTOR | 2.464 | (4) LDAC FACTOR | 2.394 |

NSTAR GAS COMPANY
ANNUAL BILL COMPARISON
HIGH LOAD FACTOR SMALL GENERAL- RATE G-51

WINTER USAGE

| | MONTHLY THERMS | SUMMER 2006 TOTAL | SUMMER 2006 CGA (1) | SUMMER 2006 CC/LDAC (3) | SUMMER 2006 DIST. | WINTER 2006-2007 TOTAL | WINTER 2006-2007 CGA (2) | WINTER 2006-2007 CC/LDAC (4) | WINTER 2006-2007 DIST. | CHANGE AMOUNT | CHANGE % OF TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 200 | $ 289.40 | $ 237.10 | $ 4.93 | $ 47.37 | $ 305.20 | $ 238.98 | $ 4.79 | $ 61.43 | $ 15.80 | 5.5% |
| | 225 | 323.68 | 266.74 | 5.54 | 51.40 | 341.46 | 268.85 | 5.39 | 67.22 | 17.78 | 5.5% |
| | 250 | 357.97 | 296.38 | 6.16 | 55.43 | 377.73 | 298.73 | 5.99 | 73.01 | 19.76 | 5.5% |
| | 275 | 392.25 | 326.01 | 6.78 | 59.46 | 413.97 | 328.60 | 6.58 | 78.79 | 21.72 | 5.5% |
| | 300 | 426.53 | 355.65 | 7.39 | 63.49 | 450.23 | 358.47 | 7.18 | 84.58 | 23.70 | 5.6% |
| | 325 | 460.82 | 385.29 | 8.01 | 67.52 | 486.49 | 388.34 | 7.78 | 90.37 | 25.67 | 5.6% |
| | 350 | 495.10 | 414.93 | 8.62 | 71.55 | 522.76 | 418.22 | 8.38 | 96.16 | 27.66 | 5.6% |
| | 375 | 529.38 | 444.56 | 9.24 | 75.58 | 559.01 | 448.09 | 8.98 | 101.94 | 29.63 | 5.6% |
| | 400 | 563.67 | 474.20 | 9.86 | 79.61 | 595.27 | 477.96 | 9.58 | 107.73 | 31.60 | 5.6% |
| Avg Use | 290 | 412.83 | 343.80 | 7.15 | 61.88 | 435.73 | 346.52 | 6.94 | 82.27 | 22.90 | 5.5% |

| PRESENT RATE G-51 | | WINTER | SUMMER | PROPOSED RATE G-51 | | WINTER | SUMMER |
|---|---|---|---|---|---|---|---|
| CUSTOMER CHARGE: | | $ 15.13 | $ 15.13 | CUSTOMER CHARGE: | | $ 15.13 | $ 15.13 |
| ENERGY CHARGE: | PER THERM | $ 0.2315 | $ 0.1612 | ENERGY CHARGE: | PER THERM | $ 0.2315 | $ 0.1612 |

| PRESENT RATE ADJUSTMENTS | CENTS/THERM | PROPOSED RATE ADJUSTMENTS | CENTS/THERM |
|---|---|---|---|
| (1) WINTER CGA | 131.190 | (2) WINTER CGA | 119.490 |
| SUMMER CGA | 118.550 | SUMMER CGA | 112.020 |
| (3) LDAC FACTOR | 2.464 | (4) LDAC FACTOR | 2.394 |

NSTAR GAS COMPANY
ANNUAL BILL COMPARISON
HIGH LOAD FACTOR MEDIUM GENERAL- RATE G-52

WINTER USAGE

| | MONTHLY THERMS | SUMMER 2006 TOTAL | SUMMER 2006 CGA (1) | SUMMER 2006 CC/LDAC (3) | SUMMER 2006 DIST. | WINTER 2006-2007 TOTAL | WINTER 2006-2007 CGA (2) | WINTER 2006-2007 CC/LDAC (4) | WINTER 2006-2007 DIST. | CHANGE AMOUNT | CHANGE % OF TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1,600 | $ 2,097.23 | $ 1,896.80 | $ 39.42 | $ 161.01 | $ 2,281.71 | $ 1,911.84 | $ 38.30 | $ 331.57 | $ 184.48 | 8.8% |
| | 1,700 | 2,226.43 | 2,015.35 | 41.89 | 169.19 | 2,422.44 | 2,031.33 | 40.70 | 350.41 | 196.01 | 8.8% |
| | 1,800 | 2,355.62 | 2,133.90 | 44.35 | 177.37 | 2,563.16 | 2,150.82 | 43.09 | 369.25 | 207.54 | 8.8% |
| | 1,900 | 2,484.82 | 2,252.45 | 46.82 | 185.55 | 2,703.89 | 2,270.31 | 45.49 | 388.09 | 219.07 | 8.8% |
| | 2,000 | 2,614.01 | 2,371.00 | 49.28 | 193.73 | 2,844.61 | 2,389.80 | 47.88 | 406.93 | 230.60 | 8.8% |
| | 2,200 | 2,872.40 | 2,608.10 | 54.21 | 210.09 | 3,126.06 | 2,628.78 | 52.67 | 444.61 | 253.66 | 8.8% |
| | 2,400 | 3,130.79 | 2,845.20 | 59.14 | 226.45 | 3,407.51 | 2,867.76 | 57.46 | 482.29 | 276.72 | 8.8% |
| | 2,600 | 3,389.17 | 3,082.30 | 64.06 | 242.81 | 3,688.95 | 3,106.74 | 62.24 | 519.97 | 299.78 | 8.8% |
| | 2,800 | 3,647.56 | 3,319.40 | 68.99 | 259.17 | 3,970.40 | 3,345.72 | 67.03 | 557.65 | 322.84 | 8.9% |
| Avg Use | 2,116 | 2,763.88 | 2,508.52 | 52.14 | 203.22 | 3,007.85 | 2,528.41 | 50.66 | 428.78 | 243.97 | 8.8% |

| PRESENT RATE G-52 | | WINTER | SUMMER | PROPOSED RATE G-52 | | WINTER | SUMMER |
|---|---|---|---|---|---|---|---|
| CUSTOMER CHARGE: | | $ 30.13 | $ 30.13 | CUSTOMER CHARGE: | | $ 30.13 | $ 30.13 |
| ENERGY CHARGE: | PER THERM | $ 0.1884 | $ 0.0818 | ENERGY CHARGE: | PER THERM | $ 0.1884 | $ 0.0818 |

| PRESENT RATE ADJUSTMENTS | CENTS/THERM | PROPOSED RATE ADJUSTMENTS | CENTS/THERM |
|---|---|---|---|
| (1) WINTER CGA | 131.190 | (2) WINTER CGA | 119.490 |
| SUMMER CGA | 118.550 | SUMMER CGA | 112.020 |
| (3) LDAC FACTOR | 2.464 | (4) LDAC FACTOR | 2.394 |

NSTAR GAS COMPANY
ANNUAL BILL COMPARISON
HIGH LOAD FACTOR LARGE GENERAL- RATE G-53

WINTER USAGE

| | MDTQ | MONTHLY THERMS | SUMMER 2006 TOTAL | SUMMER 2006 CGA (1) | SUMMER 2006 CC/LDAC (3) | SUMMER 2006 DIST. | WINTER 2006-2007 TOTAL | WINTER 2006-2007 CGA (2) | WINTER 2006-2007 CC/LDAC (4) | WINTER 2006-2007 DIST. | CHANGE AMOUNT | CHANGE % OF TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 424 | 8,000 | $ 10,090.85 | $ 9,421.52 | $ 115.52 | $ 553.81 | $ 10,834.37 | $ 9,556.16 | $ 143.52 | $ 1,134.69 | $ 743.52 | 7.4% |
| | 530 | 10,000 | 12,588.53 | 11,776.90 | 144.40 | 667.23 | 13,517.93 | 11,945.20 | 179.40 | 1,393.33 | 929.40 | 7.4% |
| | 637 | 12,000 | 15,088.21 | 14,133.21 | 173.28 | 781.72 | 16,207.07 | 14,337.38 | 215.28 | 1,654.41 | 1,118.86 | 7.4% |
| | 743 | 14,000 | 17,585.89 | 16,488.59 | 202.16 | 895.14 | 18,890.63 | 16,726.42 | 251.16 | 1,913.05 | 1,304.74 | 7.4% |
| | 849 | 16,000 | 20,083.57 | 18,843.97 | 231.04 | 1,008.56 | 21,574.19 | 19,115.46 | 287.04 | 2,171.69 | 1,490.62 | 7.4% |
| | 955 | 18,000 | 22,581.25 | 21,199.35 | 259.92 | 1,121.98 | 24,257.75 | 21,504.50 | 322.92 | 2,430.33 | 1,676.50 | 7.4% |
| | 1,061 | 20,000 | 25,078.93 | 23,554.73 | 288.80 | 1,235.40 | 26,941.31 | 23,893.54 | 358.80 | 2,688.97 | 1,862.38 | 7.4% |
| | 1,167 | 22,000 | 27,576.61 | 25,910.11 | 317.68 | 1,348.82 | 29,624.87 | 26,282.58 | 394.68 | 2,947.61 | 2,048.26 | 7.4% |
| | 1,273 | 24,000 | 30,074.29 | 28,265.49 | 346.56 | 1,462.24 | 32,308.43 | 28,671.62 | 430.56 | 3,206.25 | 2,234.14 | 7.4% |
| Avg Use | 870 | 16,400 | 20,582.71 | 19,314.86 | 236.82 | 1,031.03 | 22,109.79 | 19,592.64 | 294.22 | 2,222.93 | 1,527.08 | 7.4% |

| PRESENT RATE G-53 | WINTER | SUMMER | PROPOSED RATE G-53 | WINTER | SUMMER |
|---|---|---|---|---|---|
| CUSTOMER CHARGE: | $ 100.13 | $ 100.13 | CUSTOMER CHARGE: | $ 100.13 | $ 100.13 |
| DISTRIBUTION CHARGE: | | | DISTRIBUTION CHARGE: | | |
| ENERGY | $ - | $ - | ENERGY | $ - | $ - |
| DEMAND | $ 2.44 | $ 1.07 | DEMAND | $ 2.44 | $ 1.07 |
| DEFAULT SERV ADJ CHARGE: | | | DEFAULT SERV ADJ CHARGE: | | |
| ENERGY | $ (0.1668) | $ (0.0571) | ENERGY | $ (0.1668) | $ (0.0571) |
| DEMAND | $ 3.14 | $ 0.93 | DEMAND | $ 3.14 | $ 0.93 |

| PRESENT RATE ADJUSTMENTS | CENTS/THERM | PROPOSED RATE ADJUSTMENTS | CENTS/THERM |
|---|---|---|---|
| (1) WINTER CGA | 131.190 | (2) WINTER CGA | 119.490 |
| SUMMER CGA | 118.550 | SUMMER CGA | 112.020 |
| (3) LDAC FACTOR | 1.444 | (4) LDAC FACTOR | 1.794 |

**D.T.E. 06-GAF-P8**

## SECTION III

NSTAR GAS COMPANY

REPORT OF NON-FIRM TRANSPORTATION ACTIVITIES

**D.T.E. 06-GAF-P8**

INTERRUPTIBLE TRANSPORTATION REPORT

## Interruptible Transportation

| **Ball Foster** | **Mar-06** | **Apr-06** | **May-06** | **Jun-06** | **Jul-06** | **Aug-06** | |
|---|---|---|---|---|---|---|---|
| Volumes (therms) | | | | [redacted] | | | |
| Rate ($ per therm) | | | | [redacted] | | | $3.36 |
| Gas Supplier | | | | Sprague | | | |
| | | | | | | | |
| **Blackstone** | **Mar-06** | **Apr-06** | **May-06** | **Jun-06** | **Jul-06** | **Aug-06** | |
| Volumes (therms) | | [redacted] | [redacted] | [redacted] | [redacted] | [redacted] | |
| Rate ($ per therm) | | [redacted] | [redacted] | [redacted] | [redacted] | [redacted] | $71,146.60 |
| Gas Supplier | | Hess | Hess | Hess | Hess | Hess | |
| | | | | | | | |
| **Clark University Boiler** | **Mar-06** | **Apr-06** | **May-06** | **Jun-06** | **Jul-06** | **Aug-06** | |
| Volumes (therms) | | [redacted] | [redacted] | [redacted] | [redacted] | [redacted] | |
| Rate ($ per therm) | | [redacted] | [redacted] | [redacted] | [redacted] | [redacted] | $1,481.19 |
| Gas Supplier | | Hess | Hess | Hess | Hess | Hess | |
| | | | | | | | |
| **Mt Auburn Hospital** | **Mar-06** | **Apr-06** | **May-06** | **Jun-06** | **Jul-06** | **Aug-06** | |
| Volumes (therms) | | [redacted] | [redacted] | [redacted] | [redacted] | [redacted] | |
| Rate ($ per therm) | | [redacted] | [redacted] | [redacted] | [redacted] | [redacted] | $14,253.36 |
| Gas Supplier | | Global | Global | Global | Global | Global | |
| | | | | | | | |
| **Norton - Boiler** | **Mar-06** | **Apr-06** | **May-06** | **Jun-06** | **Jul-06** | **Aug-06** | |
| Volumes (therms) | [redacted] | | | [redacted] | | [redacted] | |
| Rate ($ per therm) | [redacted] | | | [redacted] | | [redacted] | $3,823.05 |
| Gas Supplier | Sprague | | | Sprague | | Sprague | |
| | | | | | | | |
| **Polaroid** | **Mar-06** | **Apr-06** | **May-06** | **Jun-06** | **Jul-06** | **Aug-06** | |
| Volumes (therms) | | [redacted] | [redacted] | [redacted] | [redacted] | [redacted] | |
| Rate ($ per therm) | | [redacted] | [redacted] | [redacted] | [redacted] | [redacted] | $35,122.66 |
| Gas Supplier | | Global | Global | Global | Global | Global | |
| | | | | | | | |
| **Rand Whitney** | **Mar-06** | **Apr-06** | **May-06** | **Jun-06** | **Jul-06** | **Aug-06** | |
| Volumes (therms) | [redacted] | [redacted] | | | [redacted] | [redacted] | |
| Rate ($ per therm) | [redacted] | [redacted] | | | [redacted] | [redacted] | $92.80 |
| Gas Supplier | Global | Global | | | Global | Global | |
| | | | | | | | |
| **Titleist II** | **Mar-06** | **Apr-06** | **May-06** | **Jun-06** | **Jul-06** | **Aug-06** | |
| Volumes (therms) | [redacted] | [redacted] | [redacted] | [redacted] | [redacted] | [redacted] | |
| Rate ($ per therm) | [redacted] | [redacted] | [redacted] | [redacted] | [redacted] | [redacted] | $9,935.62 |
| Gas Supplier | Hess | Hess | Hess | Hess | Hess | Hess | |
| | | | | | | | |

**REDACTED DOCUMENT**

**$135,855.28**

**D.T.E. 06-GAF-P8**

QUASI-FIRM TRANSPORTATION REPORT

## Quasi Firm Transportation

| Holy Cross College | Mar-06 | Apr-06 | May-06 | Jun-06 | Jul-06 | Aug-06 | |
|---|---|---|---|---|---|---|---|
| Volumes (therms) | | [redacted] | [redacted] | [redacted] | [redacted] | [redacted] | |
| Rate ($ per therm) | | [redacted] | [redacted] | [redacted] | [redacted] | [redacted] | $7,834.41 |
| Gas Supplier | | Select | Select | Select | Select | Select | |
| | | | | | | | **$7,834.41** |

**REDACTED DOCUMENT**

**D.T.E. 06-GAF-P8**

**<u>SECTION IV</u>**

<u>NSTAR GAS COMPANY</u>

<u>PEAKING SERVICE RATE CALCULATION</u>

**NSTAR Gas Company**
**Peaking Services**

| Line # | Description | | Cost | Source |
|---|---|---|---|---|
| | **Demand Rate Calculation** | | | |
| 1 | LNG Fixed Cost | $ | 10,029,758 | Schedule B - Supplemental Demand |
| 2 | LNG (X-33) | | 1,481,904 | Schedule B - Included in Pipeline Demand Costs |
| 3 | LNG (AFT-2) | | 1,027,852 | Schedule B - Included in Pipeline Demand Costs |
| 4 | Total | $ | 12,539,514 | |
| 5 | | | | |
| 6 | Design Day LNG Requirement (Dth) | | 206,641 | Per Load Forecast |
| 7 | | | | |
| 8 | Peak Season Rate ($/Dth-Month) | $ | 10.1138 | |
| | **Commodity Rate Calculation** | | | |
| 9 | LNG Commodity Costs | $ | 22,748,450 | Schedule A - LNG Commodity Costs |
| 10 | | | | |
| 11 | LNG Withdrawal Volumes in Therms | | 24,601,400 | Schedule D - LNG Withdrawal Volumes |
| 12 | | | | |
| 13 | LNG Commodity Rate ($ per Therm) | $ | 0.9247 | Schedule D - LNG Average Commodity Costs |

**D.T.E. 06-GAF-P8**

## SECTION V

NSTAR GAS COMPANY

COMPANY GAS ALLOWANCE

# NSTAR GAS COMPANY
## Gas Allowance
## Twelve Months Ending July 31, 2006

| Line # | Item | Aug-05 | Sep-05 | Oct-05 | Nov-05 | Dec-05 | Jan-06 | Feb-06 | Mar-06 | Apr-06 | May-06 | Jun-06 | Jul-06 | Total | Notes |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Gas Received (MMBtu) | 2,997,111 | 2,990,190 | 4,067,844 | 4,802,856 | 7,665,981 | 7,286,528 | 7,517,596 | 6,828,663 | 4,769,074 | 3,938,528 | 3,052,531 | 2,927,719 | 58,844,621 | |
| 2 | Gas Delivered (MMBtu) | 2,960,262 | 2,935,227 | 3,981,331 | 4,518,656 | 7,321,916 | 7,283,246 | 7,406,915 | 6,488,986 | 4,886,084 | 3,958,979 | 2,961,676 | 2,906,564 | 57,609,842 | |
| 3 | Difference (MMBtu) | 36,849 | 54,963 | 86,513 | 284,200 | 344,065 | 3,282 | 110,681 | 339,677 | (117,010) | (20,451) | 90,855 | 21,155 | 1,234,779 | Line 1 - Line 2 |
| 4 | Company Gas Allowance | 1.23% | 1.84% | 2.13% | 5.92% | 4.49% | 0.05% | 1.47% | 4.97% | -2.45% | -0.52% | 2.98% | 0.72% | 2.10% | Line 3 / Line 1 |

**D.T.E. 06-GAF-P8**

**<u>SECTION VI</u>**

<u>NSTAR GAS COMPANY</u>

<u>VOLATILITY MITIGATION PLAN - PURCHASES</u>

# NSTAR Gas Company
# D.T.E. 04-63 - Volatility Mitigation Plan

### Volumes (MMBtu's)

| Transaction ID | Nov-06 | Dec-06 | Jan-07 | Feb-07 | Mar-07 | Apr-07 | Peak Total |
|---|---|---|---|---|---|---|---|
| 101 | 170,000 | 190,000 | 190,000 | 180,000 | 200,000 | 150,000 | 1,080,000 |
| 102 | 170,000 | 190,000 | 190,000 | 180,000 | 200,000 | 150,000 | 1,080,000 |
| 103 | 170,000 | 190,000 | 190,000 | 180,000 | 200,000 | 150,000 | 1,080,000 |
| 104 | 170,000 | 190,000 | 190,000 | 180,000 | 200,000 | 150,000 | 1,080,000 |
| 105 | 170,000 | 190,000 | 190,000 | 180,000 | 200,000 | 150,000 | 1,080,000 |
| 106 | 170,000 | 190,000 | 190,000 | 180,000 | 200,000 | 150,000 | 1,080,000 |
| 107 | 170,000 | 190,000 | 190,000 | 180,000 | 200,000 | 150,000 | 1,080,000 |
| 108 | 170,000 | 190,000 | 190,000 | 180,000 | 200,000 | 150,000 | 1,080,000 |
| 109 | 170,000 | 190,000 | 190,000 | 180,000 | 200,000 | 150,000 | 1,080,000 |
| 110 | 170,000 | 190,000 | 190,000 | 180,000 | 200,000 | 150,000 | 1,080,000 |
| 111 | - | - | - | - | - | - | - |
| 112 | - | - | - | - | - | - | - |
| Total | 1,700,000 | 1,900,000 | 1,900,000 | 1,800,000 | 2,000,000 | 1,500,000 | 10,800,000 |

# NSTAR Gas Company
# D.T.E. 04-63 - Volatility Mitigation Plan

### Transaction Unit Price ($ per MMBtu)

| Transaction ID | Nov-06 | Dec-06 | Jan-07 | Feb-07 | Mar-07 | Apr-07 |
|---|---|---|---|---|---|---|
| 101 | $ 11.190 | $ 11.190 | $ 11.190 | $ 11.190 | $ 11.190 | $ 11.190 |
| 102 | $ 11.455 | $ 11.455 | $ 11.455 | $ 11.455 | $ 11.455 | $ 11.455 |
| 103 | $ 10.570 | $ 10.570 | $ 10.570 | $ 10.570 | $ 10.570 | $ 10.570 |
| 104 | $ 9.675 | $ 9.675 | $ 9.675 | $ 9.675 | $ 9.675 | $ 9.675 |
| 105 | $ 10.015 | $ 10.015 | $ 10.015 | $ 10.015 | $ 10.015 | $ 10.015 |
| 106 | $ 11.240 | $ 11.240 | $ 11.240 | $ 11.240 | $ 11.240 | $ 11.240 |
| 107 | $ 10.095 | $ 10.095 | $ 10.095 | $ 10.095 | $ 10.095 | $ 10.095 |
| 108 | $ 10.210 | $ 10.210 | $ 10.210 | $ 10.210 | $ 10.210 | $ 10.210 |
| 109 | $ 9.540 | $ 9.540 | $ 9.540 | $ 9.540 | $ 9.540 | $ 9.540 |
| 110 | $ 10.055 | $ 10.055 | $ 10.055 | $ 10.055 | $ 10.055 | $ 10.055 |
| 111 | $ - | $ - | $ - | $ - | $ - | $ - |
| 112 | $ - | $ - | $ - | $ - | $ - | $ - |

# NSTAR Gas Company
# D.T.E. 04-63 - Volatility Mitigation Plan

### Transaction Cost

| Transaction ID | Nov-06 | Dec-06 | Jan-07 | Feb-07 | Mar-07 | Apr-07 | Peak Total |
|---|---|---|---|---|---|---|---|
| 101 | $ 1,902,300 | $ 2,126,100 | $ 2,126,100 | $ 2,014,200 | $ 2,238,000 | $ 1,678,500 | $ 12,085,200 |
| 102 | $ 1,947,350 | $ 2,176,450 | $ 2,176,450 | $ 2,061,900 | $ 2,291,000 | $ 1,718,250 | $ 12,371,400 |
| 103 | $ 1,796,900 | $ 2,008,300 | $ 2,008,300 | $ 1,902,600 | $ 2,114,000 | $ 1,585,500 | $ 11,415,600 |
| 104 | $ 1,644,750 | $ 1,838,250 | $ 1,838,250 | $ 1,741,500 | $ 1,935,000 | $ 1,451,250 | $ 10,449,000 |
| 105 | $ 1,702,550 | $ 1,902,850 | $ 1,902,850 | $ 1,802,700 | $ 2,003,000 | $ 1,502,250 | $ 10,816,200 |
| 106 | $ 1,910,800 | $ 2,135,600 | $ 2,135,600 | $ 2,023,200 | $ 2,248,000 | $ 1,686,000 | $ 12,139,200 |
| 107 | $ 1,716,150 | $ 1,918,050 | $ 1,918,050 | $ 1,817,100 | $ 2,019,000 | $ 1,514,250 | $ 10,902,600 |
| 108 | $ 1,735,700 | $ 1,939,900 | $ 1,939,900 | $ 1,837,800 | $ 2,042,000 | $ 1,531,500 | $ 11,026,800 |
| 109 | $ 1,621,800 | $ 1,812,600 | $ 1,812,600 | $ 1,717,200 | $ 1,908,000 | $ 1,431,000 | $ 10,303,200 |
| 110 | $ 1,709,350 | $ 1,910,450 | $ 1,910,450 | $ 1,809,900 | $ 2,011,000 | $ 1,508,250 | $ 10,859,400 |
| 111 | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| 112 | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Total | $ 17,687,650 | $ 19,768,550 | $ 19,768,550 | $ 18,728,100 | $ 20,809,000 | $ 15,606,750 | $ 112,368,600 |
| | | | | | | | |
| Transaction Average Price ($ per MMBtu) | $ 10.405 | $ 10.405 | $ 10.405 | $ 10.405 | $ 10.405 | $ 10.405 | $ 10.405 |

# NSTAR Gas Company
# D.T.E. 04-63 - Volatility Mitigation Plan

**NYMEX Futures Cost**
**per September 2006 Settlement Price (NYMEX Strip dated 8/29/06)**

| Transaction ID | Nov-06 | Dec-06 | Jan-07 | Feb-07 | Mar-07 | Apr-07 | Peak Total |
|---|---|---|---|---|---|---|---|
| NYMEX Prices ($ per MMBtu) | $ 8.800 | $ 10.470 | $ 11.085 | $ 11.115 | $ 10.925 | $ 8.675 | |
| 101 | $ 1,496,000 | $ 1,989,300 | $ 2,106,150 | $ 2,000,700 | $ 2,185,000 | $ 1,301,250 | $ 11,078,400 |
| 102 | $ 1,496,000 | $ 1,989,300 | $ 2,106,150 | $ 2,000,700 | $ 2,185,000 | $ 1,301,250 | $ 11,078,400 |
| 103 | $ 1,496,000 | $ 1,989,300 | $ 2,106,150 | $ 2,000,700 | $ 2,185,000 | $ 1,301,250 | $ 11,078,400 |
| 104 | $ 1,496,000 | $ 1,989,300 | $ 2,106,150 | $ 2,000,700 | $ 2,185,000 | $ 1,301,250 | $ 11,078,400 |
| 105 | $ 1,496,000 | $ 1,989,300 | $ 2,106,150 | $ 2,000,700 | $ 2,185,000 | $ 1,301,250 | $ 11,078,400 |
| 106 | $ 1,496,000 | $ 1,989,300 | $ 2,106,150 | $ 2,000,700 | $ 2,185,000 | $ 1,301,250 | $ 11,078,400 |
| 107 | $ 1,496,000 | $ 1,989,300 | $ 2,106,150 | $ 2,000,700 | $ 2,185,000 | $ 1,301,250 | $ 11,078,400 |
| 108 | $ 1,496,000 | $ 1,989,300 | $ 2,106,150 | $ 2,000,700 | $ 2,185,000 | $ 1,301,250 | $ 11,078,400 |
| 109 | $ 1,496,000 | $ 1,989,300 | $ 2,106,150 | $ 2,000,700 | $ 2,185,000 | $ 1,301,250 | $ 11,078,400 |
| 110 | $ 1,496,000 | $ 1,989,300 | $ 2,106,150 | $ 2,000,700 | $ 2,185,000 | $ 1,301,250 | $ 11,078,400 |
| 111 | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| 112 | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Total | $ 14,960,000 | $ 19,893,000 | $ 21,061,500 | $ 20,007,000 | $ 21,850,000 | $ 13,012,500 | $ 110,784,000 |
| NYMEX Average Price ($ per MMBtu) | | | | | | | $ 10.258 |

# NSTAR Gas Company
# D.T.E. 04-63 - Volatility Mitigation Plan

**Estimated Settlement Amount**
**NYMEX Futures Cost vs. Transaction Cost**

| Transaction ID | Nov-06 | Dec-06 | Jan-07 | Feb-07 | Mar-07 | Apr-07 | Peak Total |
|---|---|---|---|---|---|---|---|
| 101 | $ (406,300) | $ (136,800) | $ (19,950) | $ (13,500) | $ (53,000) | $ (377,250) | $ (1,006,800) |
| 102 | $ (451,350) | $ (187,150) | $ (70,300) | $ (61,200) | $ (106,000) | $ (417,000) | $ (1,293,000) |
| 103 | $ (300,900) | $ (19,000) | $ 97,850 | $ 98,100 | $ 71,000 | $ (284,250) | $ (337,200) |
| 104 | $ (148,750) | $ 151,050 | $ 267,900 | $ 259,200 | $ 250,000 | $ (150,000) | $ 629,400 |
| 105 | $ (206,550) | $ 86,450 | $ 203,300 | $ 198,000 | $ 182,000 | $ (201,000) | $ 262,200 |
| 106 | $ (414,800) | $ (146,300) | $ (29,450) | $ (22,500) | $ (63,000) | $ (384,750) | $ (1,060,800) |
| 107 | $ (220,150) | $ 71,250 | $ 188,100 | $ 183,600 | $ 166,000 | $ (213,000) | $ 175,800 |
| 108 | $ (239,700) | $ 49,400 | $ 166,250 | $ 162,900 | $ 143,000 | $ (230,250) | $ 51,600 |
| 109 | $ (125,800) | $ 176,700 | $ 293,550 | $ 283,500 | $ 277,000 | $ (129,750) | $ 775,200 |
| 110 | $ (213,350) | $ 78,850 | $ 195,700 | $ 190,800 | $ 174,000 | $ (207,000) | $ 219,000 |
| 111 | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| 112 | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Total | $ (2,727,650) | $ 124,450 | $ 1,292,950 | $ 1,278,900 | $ 1,041,000 | $ (2,594,250) | $ (1,584,600) |

**D.T.E. 06-GAF-P8**

## SECTION VII

NSTAR GAS COMPANY

LOCAL DISTRIBUTION ADJUSTMENT

**D.T.E. 06-GAF-P8**

NSTAR GAS COMPANY

Local Distribution Adjustment Filing

Period: November 1, 2006 through October 31, 2007

Prepared by: Bryant K. Robinson
Revenue Requirements

Filed with the Department on: September 15, 2006

**D.T.E. 06-GAF-P8**

CALCULATION OF LOCAL DISTRIBUTION ADJUSTMENT FACTORS AND SUPPORTING DATA

**NSTAR Gas Company**
**LOCAL DISTRIBUTION ADJUSTMENT CALCULATIONS**
of Local Distribution Adjustment Factors for November 2006 to October 2007

| Line # | | | | |
|---|---|---|---|---|
| | | RATE CATEGORY: **RESIDENTIAL** | | |
| | | LDAF = CC + RAF + TCF + UCF - BPC - NFC | | |
| 1 | CC = | Residential Conservation Charge | Schedule D | $ 0.0101 |
| 2 | RAF = | Per-Unit Recoverable Environmental Response Costs | Line 58 | $ 0.0008 |
| 3 | | Per-Unit Recoverable Transition Costs | Line 73 | $ - |
| 4 | | Per-Unit Transition Cost Working Capital Allowance | Line 100 | $ - |
| 5 | TCF = | Subtotal: Transition Cost Charge | Line 3 + Line 4 | $ - |
| 6 | | Per Unit Recoverable Unbundling Costs | Line 107 | $ - |
| 7 | | Per-Unit Unbundling Cost Working Capital Allowance | Line 121 | $ - |
| 8 | UCF = | Subtotal: Unbundling Cost Charge | Line 6 + Line 7 | $ - |
| 9 | BPC = | Per-Unit Balancing Penalty Credit | Line 128 | $ 0.0014 |
| 10 | NFC = | Per-Unit Non-Firm Margin Credit | Line 135 | $(0.0004) |
| 11 | LDAF = | **LDAF Applicable to Residential Customers' Bills** | **Lines 1 + 2 + 5 + 8 + 9 + 10** | **$ 0.0119** |
| 12 | | | | |
| 13 | | RATE CATEGORY: **COMMERCIAL/INDUSTRIAL ( C & I)** | | |
| 14 | | LDAF = CC + RAF + TCF + UCF - BPC - NFC | | |
| 15 | CC = | Commercial/Industrial Conservation Charge | Schedule D | $ 0.0060 |
| 16 | RAF = | Per-Unit Recoverable Environmental Response Costs | Line 58 | $ 0.0008 |
| 17 | | Per-Unit Recoverable Transition Costs | Line 73 | $ - |
| 18 | | Per-Unit Transition Cost Working Capital Allowance | Line 100 | $ - |
| 19 | TCF = | Subtotal: Transition Cost Charge | Line 17 + Line 18 | $ - |
| 20 | | Per Unit Recoverable Unbundling Costs | Line 107 | $ - |
| 21 | | Per-Unit Unbundling Cost Working Capital Allowance | Line 121 | $ - |
| 22 | UCF = | Subtotal: Unbundling Cost Charge | Line 20 + Line 21 | $ - |
| 23 | BPC = | Per-Unit Balancing Penalty Credit | Line 128 | $ 0.0014 |
| 24 | NFC = | Per-Unit Non-Firm Margin Credit | Line 135 | $(0.0004) |
| 25 | LDAF = | **LDAF Applicable to C & I Customers' Bills** | **Lines 15 + 16 + 19 + 22 + 23 + 24** | **$ 0.0078** |
| 26 | | | | |
| 27 | | RATE CATEGORY: **OTHER** | | |
| 28 | | LDAF = CC + RAF + TCF + UCF - BPC - NFC | | |
| 29 | CC = | Other Conservation Charge | Schedule D | $ - |
| 30 | RAF = | Per-Unit Recoverable Environmental Response Costs | Line 58 | $ 0.0008 |
| 31 | | Per-Unit Recoverable Transition Costs | Line 73 | $ - |
| 32 | | Per-Unit Transition Cost Working Capital Allowance | Line 100 | $ - |
| 33 | TCF = | Subtotal: Transition Cost Charge | Line 31 + Line 32 | $ - |
| 34 | | Per Unit Recoverable Unbundling Costs | Line 107 | $ - |
| 35 | | Per-Unit Unbundling Cost Working Capital Allowance | Line 121 | $ - |
| 36 | UCF = | Subtotal: Unbundling Cost Charge | Line 34 + Line 35 | $ - |
| 37 | BPC = | Per-Unit Balancing Penalty Credit | Line 128 | $ 0.0014 |
| 38 | NFC = | Per-Unit Non-Firm Margin Credit | Line 135 | $(0.0004) |
| 39 | LDAF = | **LDAF Applicable to Other Customers' Bills** | **Lines 29 + 30 + 33 + 36 + 37 + 38** | **$ 0.0018** |

**NSTAR Gas Company**
**LOCAL DISTRIBUTION ADJUSTMENT CALCULATIONS**
Supporting Data
Twelve Months Ending October 31, 2007

| Line # | | | | | |
|---|---|---|---|---|---|
| 40 | **A. Remediation Adjustment Clause Calculation** | | | | |
| 41 | 2005 Environmental Filing | Environmental Response Costs to be Recovered | $ 663,394 | | |
| 42 | 2005 Environmental Filing | Unamortized Environmental Response Costs | $ 3,215,381 | | |
| 43 | | Combined Tax Rate | 39.225% | | |
| 44 | (Line 42 / Line 48) * Line 43 | Deferred Tax | $ 2,075,250 | | |
| 45 | DPU 91-60 | Cost of Debt | 4.54% | | |
| 46 | DPU 91-60 | Cost of Equity | 6.68% | | |
| 47 | Line 45 + Line 46 | Cost of Capital | 11.22% | | |
| 48 | 1 - Line 43 | After Tax Income Effect | 60.775% | | |
| 49 | Line 46 / Line 48 | Cost of Equity adjusted for Taxes | 10.99% | | |
| 50 | Line 45 + Line 49 | Tax Adjusted Cost of Capital | 15.53% | | |
| 51 | Line 44 * Line 50 | Deferred Tax Benefit | $ 322,315 | | |
| 52 | 2005 Environmental Filing | One Half of Insurance Recovery Expense | $ - | | |
| 53 | 2005 Environmental Filing | One Half of Insurance Recoveries | $ - | | |
| 54 | Line 52 - Line 53 | Net (Recoveries) Expense | $ - | | |
| 55 | Line 64 below | RAC Reconciliation Adjustment | $ 396,481 | | |
| 56 | Line 54 + Line 55 | Recoverable Environmental Response Costs | $ 396,481 | | |
| 57 | Schedule B | Total Applicable Volumes (Therms) | 475,147,221 | | |
| 58 | Line 56 / Line 57 | Per-Unit Recoverable Environmental Response Costs | $ 0.0008 | | |
| 59 | | | | | |
| 60 | **B. Remediation Adjustment Clause Reconciliation Calculation** | | | | |
| 61 | Line 41 above | Allowable Environmental Response Costs | $ 663,394 | | |
| 62 | - Line 51 above | Deferred Tax Benefit | $ (322,315) | | |
| 63 | A/C 175.3 | RAC Reconciliation Adjustment | $ 55,402 | | |
| 64 | Sum of Lines 61 to 63 | Net Recoverable Environmental Response Costs | $ 396,481 | | |
| 65 | | | | | |
| 66 | **C. Interstate Pipeline Transition Charges** | | | | |
| 67 | Schedule A | FERC Order 636 Transition Charges | $ - | | |
| 68 | A/C 175.6 | Transition Charge Reconciliation Adjustment | $ (14,958) | | |
| 69 | Line 67 + Line 68 | Total Transition Costs | $ (14,958) | | |
| 70 | Schedule B | Total Annual Firm Sales Volumes (Therms) | 364,036,137 | | |
| 71 | Schedule B | Transportation Volumes (Therms) | 111,111,084 | | |
| 72 | Line 70 + Line 71 | Total Applicable Volumes (Therms) | 475,147,221 | | |
| 73 | Line 71 / Line 72 | Per-Unit Recoverable Transition Costs | $0.0000 | | |
| 74 | | | | | |
| 75 | **D. Days Lag Calculation (DL)** | | Computer | Special | All |
| 76 | | | Billing | Ledger | Customers |
| 77 | | Days Delay from Gas Service to Meter Reading | 15.21 | 15.21 | --- |
| 78 | | Days Delay from Reading to Billing | 3.47 | 5.24 | --- |
| 79 | | Days Delay from Billing to Collection | 35.14 | 35.14 | --- |
| 80 | Sum of Lines 77 to 79 | Total Days Lag in Receipt of Revenue | 53.82 | 55.59 | --- |
| 81 | | Billing Revenue ($ in 000's) | $ 196,193 | $ 53,639 | $ 249,832 |
| 82 | Line 80 * Line 81 | Weighting Factor | 10,559,118 | 2,981,792 | 13,540,910 |
| 83 | Line 81 / Line 82 | Weighted Lag Days | --- | --- | 54.20 |
| 84 | | Lead Days | --- | --- | 36.95 |
| 85 | Line 83 - Line 84 | Calculated Net Lag Days | --- | --- | 17.25 |
| 86 | DPU 91-60 | Approved Net Lag Days | --- | --- | 16.00 |
| 87 | | | | | |
| 88 | **E. Transition Charge Working Capital Allowance Calculation (TCWC)** | | | | |
| 89 | Line 69 above | Working Capital Transition Costs Allowable | $ (14,958) | | |
| 90 | Line 86 above | Number of Days Lag | 16.00 | | |
| 91 | Line 89 * (Line 90 / 365 Days) | Transition Cost Working Capital Requirement | $ (656) | | |
| 92 | Line 45 above | Cost of Debt | 4.54% | | |
| 93 | Line 46 above | Cost of Equity | 6.68% | | |
| 94 | Line 43 above | Combined Tax Rate | 39.225% | | |
| 95 | Line 48 above | After Tax Income Effect | 60.775% | | |
| 96 | Line 91 * (Line 92 + (Line 93 / Line 95)) | Current Period Transition Cost Working Capital Allowance | $ (102) | | |
| 97 | A/C 175.70 | Transition Cost Working Capital Reconciliation | $ 1,483 | | |
| 98 | Line 96 + Line 97 | Total Transition Cost Working Capital Allowance | $ 1,381 | | |
| 99 | Schedule B | Total Applicable Volumes (Therms) | 475,147,221 | | |
| 100 | Line 98 / Line 99 | Per-Unit Transition Cost Working Capital Allowance | $ - | | |
| 101 | | | | | |

**NSTAR Gas Company**
**LOCAL DISTRIBUTION ADJUSTMENT CALCULATIONS**
Supporting Data
Twelve Months Ending October 31, 2007

| Line # | | | |
|---|---|---|---|
| 102 | **F. Unbundling Costs** | | |
| 103 | Schedule A | Unbundling Costs | $ - |
| 104 | A/C 175.8 | Unbundling Cost Reconciliation Adjustment | $ (494) |
| 105 | Line 103 + Line 104 | Total Unbundling Costs | $ (494) |
| 106 | Schedule B | Total Applicable Volumes (Therms) | 475,147,221 |
| 107 | Line 105 / Line 106 | Per-Unit Recoverable Unbundling Costs | $ - |
| 108 | | | |
| 109 | **G. Unbundling Costs Working Capital Allowance Calculation (UCWC)** | | |
| 110 | Line 105 above | Working Capital Unbundling Costs Allowable | $ (494) |
| 111 | Line 86 above | Number of Days Lag | 16.00 |
| 112 | Line 110 * (Line 111 / 365 Days) | Unbundling Cost Working Capital Requirement | $ (22) |
| 113 | Line 45 above | Cost of Debt | 4.54% |
| 114 | Line 46 above | Cost of Equity | 6.68% |
| 115 | Line 43 above | Combined Tax Rate | 39.225% |
| 116 | Line 48 above | After Tax Income Effect | 60.775% |
| 117 | Line 112 * (Line 113 + (Line 114 / Line 116)) | Current Period Unbundling Cost Working Capital Allowance | $ (3) |
| 118 | A/C 175.90 | Unbundling Cost Working Capital Reconciliation | $ 2,513 |
| 119 | Line 117 + Line 118 | Total Unbundling Cost Working Capital Allowance | $ 2,510 |
| 120 | Schedule B | Total Applicable Volumes (Therms) | 475,147,221 |
| 121 | Line 119 / Line 120 | Per-Unit Unbundling Cost Working Capital Allowance | $ - |
| 122 | | | |
| 123 | **H. Balancing Penalty Credit (BPC)** | | |
| 124 | Schedule A | Balancing Penalty Revenue | $ (250,000) |
| 125 | A/C 175.75 | Balancing Penalty Credit Working Capital Reconciliation | $ 914,400 |
| 126 | Line 124 + Line 125 | Total Balancing Penalty Credit | $ 664,400 |
| 127 | Schedule B | Total Applicable Volumes (Therms) | 475,147,221 |
| 128 | Line 126 / Line 127 | Per-Unit Balancing Penalty Credit | $ 0.0014 |
| 129 | | | |
| 130 | **I. Non-Firm Distribution Credit (NFM)** | | |
| 131 | Schedule C | Non-Firm Distribution Margin | $ (631,422) |
| 132 | A/C 175.25 | LDAC Reconciliation | $ 445,763 |
| 133 | Line 131 + Line 132 | Total Non-Firm Distribution Margin | $ (185,659) |
| 134 | Schedule B | Total Applicable Volumes (Therms) | 475,147,221 |
| 135 | Line 133 / Line 134 | Per-Unit Non-Firm Margin Credit | $ (0.0004) |

**D.T.E. 06-GAF-P8**

SUPPORTING DATA

**NSTAR Gas Company**
Monthly Projections for Local Distribution Adjustment
**Schedule A - LDAC Costs ($ in 000's)**
Twelve Months Ending October 31, 2007

| Transition Costs | Nov-06 | Dec-06 | Jan-07 | Feb-07 | Mar-07 | Apr-07 | Subtotal | May-07 | Jun-07 | Jul-07 | Aug-07 | Sep-07 | Oct-07 | Subtotal | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| FERC 636 Transition Costs | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Transition Costs | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| | | | | | | | | | | | | | | | |
| Unbundling Costs | | | | | | | | | | | | | | | |
| MGUC Costs | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Unbundling Costs | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| | | | | | | | | | | | | | | | |
| Balancing Penalty Revenue | | | | | | | | | | | | | | | |
| Balancing Penalty Revenue | $ (21) | $ (21) | $ (21) | $ (21) | $ (21) | $ (21) | $ (125) | $ (21) | $ (21) | $ (21) | $ (21) | $ (21) | $ (21) | $ (125) | $ (250) |
| Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Balancing Penalty Credit | $ (21) | $ (21) | $ (21) | $ (21) | $ (21) | $ (21) | $ (125) | $ (21) | $ (21) | $ (21) | $ (21) | $ (21) | $ (21) | $ (125) | $ (250) |

**NSTAR Gas Company**
Monthly Projections for Local Distribution Adjustment
**Schedule B - Sales in Therms (Bbtu * 10,000)**
Twelve Months Ending October 31, 2007

| | Nov-06 | Dec-06 | Jan-07 | Feb-07 | Mar-07 | Apr-07 | Subtotal | May-07 | Jun-07 | Jul-07 | Aug-07 | Sep-07 | Oct-07 | Subtotal | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Purchases for Total Sales | 33,016,900 | 52,033,910 | 72,006,000 | 57,499,630 | 47,120,160 | 29,491,010 | 291,167,610 | 17,612,510 | 11,784,870 | 10,018,710 | 10,021,710 | 11,122,710 | 22,039,910 | 82,600,420 | 373,768,030 |
| Less: Company Use | 84,340 | 136,760 | 179,790 | 143,010 | 115,280 | 70,570 | 729,750 | 40,190 | 25,560 | 21,310 | 20,540 | 23,940 | 51,950 | 183,490 | 913,240 |
| Losses | 972,800 | 1,506,830 | 2,485,700 | 1,863,130 | 1,655,670 | 916,050 | 9,400,180 | 531,880 | 360,740 | 266,940 | 255,080 | 309,210 | 556,360 | 2,280,210 | 11,680,390 |
| Sendout for Sales | 31,959,760 | 50,390,320 | 69,340,510 | 55,493,490 | 45,349,210 | 28,504,390 | 281,037,680 | 17,040,440 | 11,398,570 | 9,730,460 | 9,746,090 | 10,789,560 | 21,431,600 | 80,136,720 | 361,174,400 |
| Less: Non-Firm Sales | 9,000 | 4,110 | 2,000 | 630 | 60 | 20,010 | 35,810 | 30,010 | 1,670 | 27,010 | 30,010 | 13,010 | 4,010 | 105,720 | 141,530 |
| Sendout for Firm Sales | 31,950,760 | 50,386,210 | 69,338,510 | 55,492,860 | 45,349,150 | 28,484,380 | 281,001,870 | 17,010,430 | 11,396,900 | 9,703,450 | 9,716,080 | 10,776,550 | 21,427,590 | 80,031,000 | 361,032,870 |
| Allocation Ratio | 74.60% | 80.30% | 95.90% | 110.30% | 114.00% | 131.60% | | 146.00% | 129.60% | 103.20% | 89.30% | 86.90% | 70.90% | | |
| Unbilled Firm Sales | 8,115,493 | 9,926,083 | 2,842,879 | (5,715,765) | (6,348,881) | (9,001,064) | (181,255) | (7,824,798) | (3,373,482) | (310,510) | 1,039,621 | 1,411,728 | 6,235,429 | (2,822,012) | (3,003,267) |
| Firm Billed Sales | 23,835,267 | 40,460,127 | 66,495,631 | 61,208,625 | 51,698,031 | 37,485,444 | 281,183,125 | 24,835,228 | 14,770,382 | 10,013,960 | 8,676,459 | 9,364,822 | 15,192,161 | 82,853,012 | 364,036,137 |
| Firm Transportation | 11,760,000 | 15,010,000 | 13,895,531 | 12,636,377 | 11,967,635 | 9,564,914 | 74,834,457 | 6,690,678 | 5,580,540 | 4,999,187 | 5,693,584 | 5,711,938 | 7,600,700 | 36,276,627 | 111,111,084 |
| Total Firm Volume | 35,595,267 | 55,470,127 | 80,391,162 | 73,845,002 | 63,665,666 | 47,050,358 | 356,017,582 | 31,525,906 | 20,350,922 | 15,013,147 | 14,370,043 | 15,076,760 | 22,792,861 | 119,129,639 | 475,147,221 |

**NSTAR Gas Company**
Monthly Projections for Local Distribution Adjustment
**Schedule C - LDAC Transportation Revenues ($ in 000's)**
Twelve Months Ending October 31, 2007

| | Nov-06 | Dec-06 | Jan-07 | Feb-07 | Mar-07 | Apr-07 | Subtotal | May-07 | Jun-07 | Jul-07 | Aug-07 | Sep-07 | Oct-07 | Subtotal | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Quasi-Firm Transp. Revenue | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | |
| Allocation to Firm Customers | 75% | 75% | 75% | 75% | 75% | 75% | | 75% | 75% | 75% | 75% | 75% | 75% | | |
| Net Quasi-Firm Revenue | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Interr. Transportation Revenue | $ 59 | $ 21 | $ - | $ 25 | $ 21 | $ 46 | $ 171 | $ 50 | $ 100 | $ 95 | $ 69 | $ 75 | $ 72 | $ 460 | $ 631 |
| Total Non-Firm Margin | $ 59 | $ 21 | $ - | $ 25 | $ 21 | $ 46 | $ 171 | $ 50 | $ 100 | $ 95 | $ 69 | $ 75 | $ 72 | $ 460 | $ 631 |

**NSTAR GAS COMPANY**
**Local Distribution Adjustment Clause**
**Schedule D - DEMAND-SIDE MANAGEMENT EXPENSE RECOVERY**
**TWELVE-MONTH PERIOD ENDING 10/31/07**

| RATE CATEGORY | 12 MOS. ENDED July 31, 2006 ACTUAL THERMS (1) | RECONCILING ADJUSTMENT October 31, 2006 (2) | BUDGET EXPENDITURES (3) | TOTAL LOST MGNS & INCENTIVES (4) | OTHER (5) | PROJECTED TOTAL C&LM RECOVERY (6) | 12 MOS. ENDING October 31, 2007 PROJECTED THERMS (7) | CONSERVATION CHARGE PER THERM (8) |
|---|---|---|---|---|---|---|---|---|
| **RESIDENTIAL (R-1,R-2,R-3,R-4)** | | | | | | | | |
| DOMESTIC: | | | | | | | | |
| NON-HEATING | 4,427,866 | $23,157 | $57,337 | $104,535 | $0 | $185,029 | 7,272,925 | |
| HEATING | 197,719,516 | $1,034,041 | 2,560,277 | $737,122 | 0 | 4,331,440 | 438,547,358 | |
| SUB-TOTAL DOMESTIC | 202,147,382 | $1,057,198 | 2,617,614 | 841,657 | 0 | 4,516,469 | 445,820,284 | **$0.01013** |
| **COMMERCIAL/INDUSTRIAL (G-41,G-42,G-43,G-51,G-52)** | | | | | | | | |
| HIGH LOAD FACTOR | 37,878,844 | 30,669 | 444,827 | 8,276 | $0 | 483,772 | 88,245,022 | |
| LOW LOAD FACTOR | 123,575,939 | 100,055 | 1,451,204 | 273,173 | 0 | 1,824,432 | 295,428,986 | |
| SUB-TOTAL COMMERCIAL/INDUSTRIAL | 161,454,783 | 130,725 | 1,896,031 | 281,449 | 0 | 2,308,205 | 383,674,008 | **$0.00601** |
| **OTHER (S - 1, G53)** | 0 | 0 | 0 | 0 | 0 | 0 | 114,603,925 | $0.00000 |
| TOTAL COMPANY | 363,602,165 | $1,187,922 | $4,513,645 | $1,123,106 | $0 | $6,824,673 | 944,098,216 | |

FOOTNOTES:

(1) Actual therms for the twelve-month period ended 07/31/04
(2) Prior period reconciling adjustment - nine months actual and three months estimated
(3) DSM Program Expenditures as set forth in the Company's proposed DSM program budget for FY04/05.
(4) Total Lost Margins & Incentives.
(5) Other Expenditures to be recovered.
(6) Total Conservation Expenditures - the sum of (2), (3), (4) and (5).
(7) Projected firm gas sales.
(8) Proposed Conservation Charge decimals - (6) divided by (7).

**NSTAR Gas Company**

**Local Distribution Adjustment Clause**

**Schedule E - Low Income Adjustment - RAAF Reconciliation**

For the period November 1, 2005 - October 31, 2006

| | | Amount ($) | | | Reference |
|---|---|---|---|---|---|
| 1 | Baseline Discount (7/05 - 6/06) | $ 2,719,458 | | | |
| 2 | Actual Discount (7/05 - 6/06) | $ 2,786,352 | | | |
| 3 | Revenue Difference | | $ 66,893 | | Line 2 - Line 1 |
| 4 | Actual RAAF Collection (11/05 - 8/06) | | $ 151,829 | | |
| 5 | Forecast RAAF Collection (9/06 - 10/06) | | $ 16,832 | | |
| 6 | Net RAAF Collection | | $ (101,767) | | Line 3 - Line 4 - Line 5 |
| 7 | Interest | | $ (3,693) | | |
| 8 | RAAF Reconciliation Subtotal | | | $ (105,460) | Line 6 + Line 7 |
| 9 | Prior Year Reconciliation | | | $ - | |
| 10 | RAAF Reconciliation Total | | | $ (105,460) | Line 8 + Line 9 |

**NSTAR Gas Company**

**Local Distribution Adjustment Clause**

**Schedule F - Low Income Adjustment - RAAF**

For the period November 1, 2006 - October 31, 2007

| Line # | Rate R-2 Non-Heating | Bills | Winter Block 1 Therms/Cust | Winter Block 2 Therms/Cust | Summer Block 1 Therms/Cust | Summer Block 2 Therms/Cust | Reference |
|---|---|---|---|---|---|---|---|
| 1 | Monthly Billing Quantities | | | | | | |
| 2 | Base Line | 1,466 | | | | | Monthly quantities thru 06/05 |
| 3 | Forecasted | 1,538 | | | | | Estimated quantities thru 06/07 |
| 4 | Difference - Incremental | 72 | 13 | 13 | 8 | 6 | Reflects annual usage thru 6/06 |
| 5 | | | | | | | |
| 6 | | $/Cust | $/therm | $/therm | $/therm | $/therm | |
| 7 | Rate R-1 | 6.50 | 0.6871 | 0.4258 | 0.6225 | 0.3612 | Rates effective 7/04 - 6/05 |
| 8 | Rate R-2 | 5.20 | 0.4649 | 0.2558 | 0.4403 | 0.2312 | Rates effective 7/04 - 6/05 |
| 9 | Difference | 1.30 | 0.2222 | 0.1700 | 0.1822 | 0.1300 | |
| 10 | | | | | | | |
| 11 | Monthly Revenue Diff. | $ 93 | $ 204 | $ 157 | $ 106 | $ 56 | Line 4 * Line 9 |
| 12 | months | 12 | 6 | 6 | 6 | 6 | |
| 13 | Total Rate R-2 Discount | $ 1,115 | $ 1,224 | $ 941 | $ 638 | $ 337 | Line 11 * Line 12 |
| 14 | | | | | | | |
| 15 | | | Winter Block 1 | Winter Block 2 | Summer Block 1 | Summer Block 2 | |
| 16 | Rate R-4 Heating | Bills | Therms/Cust | Therms/Cust | Therms/Cust | Therms/Cust | |
| 17 | | | | | | | |
| 18 | Monthly Billing Quantities | | | | | | |
| 19 | Base Line | 16,057 | | | | | Monthly quantities thru 06/05 |
| 20 | Forecasted | 17,339 | | | | | Estimated quantities thru 06/07 |
| 21 | Difference - Incremental | 1,282 | 46 | 75 | 20 | 11 | Reflects annual usage thru 6/06 |
| 22 | | | | | | | |
| 23 | | $/Cust | $/therm | $/therm | $/therm | $/therm | |
| 24 | Rate R-3 | 6.50 | 0.541 | 0.2466 | 0.541 | 0.2466 | Rates effective 7/04 - 6/05 |
| 25 | Rate R-4 | 5.20 | 0.3552 | 0.1163 | 0.3552 | 0.1163 | Rates effective 7/04 - 6/05 |
| 26 | Difference | 1.30 | 0.1858 | 0.1303 | 0.1858 | 0.1303 | |
| 27 | | | | | | | |
| 28 | Revenue Difference | $ 1,666 | $ 10,894 | $ 12,457 | $ 4,673 | $ 1,767 | Line 21 * Line 26 |
| 29 | months | 12 | 6 | 6 | 6 | 6 | |
| 30 | Total Rate R-4 Discount | $ 19,991 | $ 65,364 | $ 74,744 | $ 28,035 | $ 10,604 | Line 28 * Line 29 |
| 31 | | | | | | | |
| 32 | Total Revenue Difference | $ 202,993 | | | | | Line 13 + Line 30 all columns |
| 33 | Prior Year Adjustment | $ (105,460) | | | | | Schedule E Line 10 |
| 34 | Total Revenue for Recovery | $ 97,533 | | | | | Line 32 + Line 33 |
| 35 | Total therms | 475,147,221 | | | | | Schedule B Total Firm Volumes |
| 36 | 2007 RAAF Adjustment | **0.0002** | per therm | | | | Line 34 / Line 35 |

NSTAR GAS COMPANY
2005-2006ANNUAL RECONCILIATION
12 NONTH PERIOD ENDED OCTOBER 31, 2006
10 Months Actual - 2 Months Forecast
CALCULATION OF DEFERRED COSTS ASSOCIATED WITH LDAC
SCHEDULE 1

| | November | December | January | February | March | April | Subtotal | May | June | July | August | September | October | Subtotal | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **ACCOUNT 175.25** | | | | | | | | | | | | | | | |
| **Local Distribution Recon. Adj. - LDAC** | | | | | | | | | | | | | | | |
| Acct. 175.25 Beg. Balance | (648,865) | (537,438) | (383,442) | (111,571) | 15,530 | 107,192 | (648,865) | 208,504 | 240,931 | 256,917 | 287,110 | 348,982 | 388,084 | 208,504 | (648,865) |
| Plus: LDR Costs | 38,895 | 35,802 | 103,850 | (12,611) | (69,688) | 10,842 | 107,091 | (23,630) | (29,230) | (3,359) | 33,207 | - | - | (23,013) | 84,078 |
| Less: LDR Revenue Applied | 72,532 | 118,194 | 168,021 | 139,712 | 161,351 | 90,469 | 750,278 | 56,057 | 45,215 | 33,552 | 28,665 | 39,103 | 57,679 | 260,272 | 1,010,550 |
| Acct. 175.25 Ending Balance ($) | (537,438) | (383,442) | (111,571) | 15,530 | 107,192 | 208,504 | 208,504 | 240,931 | 256,917 | 287,110 | 348,982 | 388,084 | 445,763 | 445,763 | 445,763 |
| **ACCOUNT 175.3** | | | | | | | | | | | | | | | |
| **Remediation Adj. Clause Recon. Adj. - LDAC** | | | | | | | | | | | | | | | |
| Acct. 175.3 Beg. Balance | 48,113 | 52,100 | 42,190 | 17,115 | 656 | (22,388) | 48,113 | (23,861) | (14,860) | (2,559) | 13,292 | 30,630 | 46,895 | (23,861) | 48,113 |
| Plus: RAC Costs | 26,062 | 26,062 | 26,062 | 26,062 | 26,062 | 26,062 | 156,372 | 26,062 | 26,062 | 26,062 | 26,062 | 28,166 | 26,062 | 158,476 | 314,848 |
| Less: RAC Revenue Applied | (22,075) | (35,972) | (51,137) | (42,521) | (49,107) | (27,534) | (228,346) | (17,061) | (13,761) | (10,212) | (8,724) | (11,901) | (17,555) | (79,213) | (307,559) |
| Acct. 175.3 Ending Balance ($) | 52,100 | 42,190 | 17,115 | 656 | (22,388) | (23,861) | (23,861) | (14,860) | (2,559) | 13,292 | 30,630 | 46,895 | 55,402 | 55,402 | 55,402 |
| **ACCOUNT 175.6** | | | | | | | | | | | | | | | |
| **Transition Costs Recon. Adj. - LDAC** | | | | | | | | | | | | | | | |
| Acct. 175.6 Beg. Balance | (13,844) | (13,925) | (14,008) | (14,092) | (14,181) | (14,270) | (13,844) | (14,362) | (14,457) | (14,553) | (14,653) | (14,754) | (14,855) | (14,362) | (13,844) |
| Plus: Transition Cost Expense | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Less: Transition Cost Revenue | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Prelim. Acct. 175.6 Ending Balance | (13,844) | (13,925) | (14,008) | (14,092) | (14,181) | (14,270) | (13,844) | (14,362) | (14,457) | (14,553) | (14,653) | (14,754) | (14,855) | (14,362) | (13,844) |
| Month's Average Balance | (13,844) | (13,925) | (14,008) | (14,092) | (14,181) | (14,270) | | (14,362) | (14,457) | (14,553) | (14,653) | (14,754) | (14,855) | | |
| Interest Rate (B of A Prime) | 7.00% | 7.15% | 7.26% | 7.50% | 7.53% | 7.75% | | 7.93% | 8.02% | 8.25% | 8.25% | 8.25% | 8.25% | | |
| Interest Applied | (81) | (83) | (85) | (88) | (89) | (92) | (518) | (95) | (97) | (100) | (101) | (101) | (102) | (596) | (1,114) |
| Acct. 175.6 Ending Balance ($) | (13,925) | (14,008) | (14,092) | (14,181) | (14,270) | (14,362) | (14,362) | (14,457) | (14,553) | (14,653) | (14,754) | (14,855) | (14,958) | (14,958) | (14,958) |
| **ACCOUNT 175.70** | | | | | | | | | | | | | | | |
| **Transition Costs Working Capital - LDAC** | | | | | | | | | | | | | | | |
| Acct. 175.70 Beg. Balance | 1,483 | 1,483 | 1,483 | 1,483 | 1,483 | 1,483 | 1,483 | 1,483 | 1,483 | 1,483 | 1,483 | 1,483 | 1,483 | 1,483 | 1,483 |
| Plus: TCWC Costs | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Less: TCWC Revenue Applied | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Acct. 175.70 Ending Balance ($) | 1,483 | 1,483 | 1,483 | 1,483 | 1,483 | 1,483 | 1,483 | 1,483 | 1,483 | 1,483 | 1,483 | 1,483 | 1,483 | 1,483 | 1,483 |
| **ACCOUNT 175.75** | | | | | | | | | | | | | | | |
| **Balancing Penalty Credit - LDAC** | | | | | | | | | | | | | | | |
| Acct. 175.75 Beg. Balance | 1,024,640 | 1,028,432 | 983,464 | 953,116 | 880,937 | 895,936 | 1,024,640 | 893,001 | 890,341 | 895,403 | 898,244 | 901,777 | 906,877 | 893,001 | 1,024,640 |
| Plus: Balancing Penalty Costs | (5,669) | (60,385) | (52,264) | (90,402) | (6,047) | (14,735) | (229,501) | (9,972) | (836) | (1,535) | (207) | - | - | (12,549) | (242,051) |
| Less: Balancing Penalty Revenue Applied | 9,461 | 15,417 | 21,916 | 18,223 | 21,046 | 11,800 | 97,862 | 7,312 | 5,898 | 4,376 | 3,739 | 5,100 | 7,523 | 33,948 | 131,811 |
| Prior Months Adjustment | | | | | | | | | - | - | - | - | - | | |
| Acct. 175.75 Ending Balance ($) | 1,028,432 | 983,464 | 953,116 | 880,937 | 895,936 | 893,001 | 893,001 | 890,341 | 895,403 | 898,244 | 901,777 | 906,877 | 914,400 | 914,400 | 914,400 |
| **ACCOUNT 175.80** | | | | | | | | | | | | | | | |
| **Unbundling Cost - LDAC** | | | | | | | | | | | | | | | |
| Acct. 175.80 Beg. Balance | (494) | (494) | (494) | (494) | (494) | (494) | (494) | (494) | (494) | (494) | (494) | (494) | (494) | (494) | (494) |
| Plus: Unbundling Costs | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Less: Unbundling Revenue Applied | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Acct. 175.80 Ending Balance ($) | (494) | (494) | (494) | (494) | (494) | (494) | (494) | (494) | (494) | (494) | (494) | (494) | (494) | (494) | (494) |
| **ACCOUNT 175.90** | | | | | | | | | | | | | | | |
| **Unbundling Cost Working Capital - LDAC** | | | | | | | | | | | | | | | |
| Acct. 175.90 Beg. Balance | 2,513 | 2,513 | 2,513 | 2,513 | 2,513 | 2,513 | 2,513 | 2,513 | 2,513 | 2,513 | 2,513 | 2,513 | 2,513 | 2,513 | 2,513 |
| Plus: UCWC Costs | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Less: UCWC Revenue Applied | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Acct. 175.90 Ending Balance ($) | 2,513 | 2,513 | 2,513 | 2,513 | 2,513 | 2,513 | 2,513 | 2,513 | 2,513 | 2,513 | 2,513 | 2,513 | 2,513 | 2,513 | 2,513 |